Daily Report

Latin America

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FBIS-LAT-89-070 *13 April 1989*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Congratulates Pinar del Rio Province *[Havana Radio]* 1
Tripartite Delegation, Internationalists Arrive *[Havana Radio]* 1
Combatants Welcomed *[Havana TV]* 1
Official Delegation Visits Namibia for Meeting *[Havana TV]* 1
SWAPO Withdrawal 'Hindered' by South Africa *[Havana Radio]* 1
Statement Denies 'Operation' *[Havana Radio]* 2
Havana Notes 1,721 UN Troops in Namibia *[Havana Radio]* 2
WFTU Members Issue 'Final Resolution' *[Havana Radio]* 2
Trade Union Meeting Ends *[Havana TV]* 2
'Socialist' Press Meeting Begins in Havana *[Havana Radio]* 3
PRAVDA's Chief Editor Grants TV Interview *[Havana TV]* 3
Vice Minister To Chair ILO Conference *[Havana Radio]* 3
'March of Combatant People' Planned for 1 May *[Havana Radio]* 4
Robbery of State Goods Called 'Social Danger' *[Havana Radio]* 4
* Storage, Distribution of Potatoes Described *[JUVENTUD REBELDE 24 Feb]* 4
* Municipal Assembly Delegates' Duties Explained *[JUVENTUD REBELDE 8 Mar]* 4
* Achievements in Reagent Production Reported *[TRABAJADORES 2 Mar]* 5
* Views Toward Radio Marti, Religion Discussed *[JUVENTUD REBELDE 27 Feb]* 5

Bahamas

Minister on U.S. Aid in 'Drug-Related Matters' *[Nassau Radio]* 6

Dominican Republic

* January National Budget Office Report *[LISTIN DIARIO 24 Feb]* 6
* 1988 Trade Balance Deficit Down Sharply *[EL CARIBE 1 Mar]* 7
* 1988 Total Exports Show 26-Percent Increase *[LISTIN DIARIO 4 Mar]* 8

Haiti

Dominicans Deny Commitment to Deport Lafontant *[Port-au-Prince Radio]* 8
Electoral Council Swearing-In Ceremony Delayed *[Port-au-Prince Radio]* 9

Jamaica

Alpart Alumina Refinery Resumes Production *[CANA]* 9

St Lucia

Prime Minister Presents Budget to Parliament *[CANA]* 10

Trinidad and Tobago

UNC Political Party Begins Meetings *[CANA]* 11

MEXICO

President Speaks on Land Reform, Modernization *[Mexico City TV]* 12
Salinas Appoints New Presidential Adviser *[UNOMASUNO 11 Apr]* 13
Nation Signs $3.5 Billion Agreement With IMF *[Bonaire Radio]* 13
Aspe on 'Letter of Intent' *[Mexico City TV]* 13
Consumer Inflation Growth Drops in March *[THE NEWS 8 Apr]* 16

CENTRAL AMERICA

El Salvador

Cristiani Reports on Trip to U.S., Aid *[San Salvador TV]* 17
Ochoa Says Army Capable of Defeating FMLN *[San Salvador TV]* 17

Nicaragua

RN's Matamoros on Elections, Opposition *[Managua Radio]* 18
Cordoba Devalued; Fuel Prices Increase *[ACAN]* 19
Contras To Release Four Prisoners 13 Apr *[Managua Radio]* 19
Soviet Ambassador Visits Tecnicsa Facilities *[Managua Radio]* 19

Panama

FDP Reports Arrest of U. S. Citizen *[Panama City TV]* 20
Rotary President on Arrest *[Panama City TV]* 20
Clandestine Stations Dismantled *[ACAN]* 20
U.S. Said Involved *[ACAN]* 21
Madrinan, Villalaz on Actions *[Panama City Radio]* 22
Futher on Operations *[Panama City TV]* 23
Muse 'Conspirators' Sought *[CRITICA 10 Apr]* 25
U.S. Visas Suspended *[ACAN]* 25
Attorney General Communique *[Panama City TV]* 26
U.S. Economic Steps Impoverish Population *[MEDIODIA 10 Apr]* 30
Weekly Review of Political Situation 30

SOUTH AMERICA

Argentina

Alfonsin Attends Atucha Nuclear Plant Ceremony *[TELAM]* 34
Economy Minister Demands Debt Restructuring *[TELAM]* 34
Alsogaray Favors Resuming UK 'General Talks' *[TELAM]* 34
New PCA Secretary General Designated *[TELAM]* 35
Universities To Install FM Radio Stations *[TELAM]* 35
Correction to Defense Minister Return, Statement 35

Bolivia

Paz Says Economy Changes Would Cause 'Problems' *[PRESENCIA 9 Apr]* 35
President Paz Suspends Visas for PRC Citizens *[La Paz Radio]* 36
Brazil To Comply With Terms of Accords *[EL DIARIO 9 Apr]* 36
New Case of Forged ID Cards Reported *[La Paz Radio]* 36
MRTKL Militants Report Attacks by IU Members *[La Paz Radio]* 36
Mexico Offers Credit for Gas Supply Network *[La Paz Radio]* 37
Central Bank President on Foreign Reserves *[PRESENCIA 7 Apr]* 37
Health Director Reports on AIDS, Yellow Fever *[EL DIARIO 10 Apr]* 37
Correction to Accusation of Cuban Ambassador 37

Brazil

Itamaraty Regrets Namibian, Lebanese Incidents *[Brasilia Radio]* 37
Foreign Interest Seen in Amazonian 'Campaigns' *[Brasilia Radio]* 37
Guimaraes Leaves PMDB Chair After 18 Years *[Rio de Janeiro TV]* 38
Communications Minister Magalhaes Resumes Work *[Rio de Janeiro TV]* 38
Stroessner Discharged From Heart Institute *[Rio de Janeiro TV]* 38

Chile

Congressional Elections Draft Law Approved *[Santiago Radio]* 38
PPD, PDC End 'Cold War,' Sign Declaration *[Santiago Radio]* 39
Onofre Jarpa Drops Out of Presidential Race *[Santiago Radio]* 39
Interior Minister Denounces Terrorism *[Santiago Radio]* 39
Investigative Police Chief Discusses Grape Issue *[Santiago Radio]* 40
Merino Reported Ill; Talcahuano Visit Suspended *[Santiago Radio]* 40

Colombia

Venezuelan Defense Minister Visits, Views Army *[Bogota TV]* 40
Government Reports Gradual Inflation Decrease *[LA PRENSA 5 Apr]* 40
Pasto Mayor Discusses Galeras Volcano Problems *[Bogota TV]* 41

Ecuador

Government To Renegotiate Foreign Debt *[Buenos Aires REUTER]* 42

Paraguay

Liberal Party Launches Political Platform *[EL DIARIO 12 Apr]* 42
Two Policemen Arrested, Charged With Torture *[ABC COLOR 12 Apr]* 42
Central Bank Board of Directors Member Installed *[PATRIA 12 Apr]* 43
REUTER Press Agency To Use Satellite *[ABC COLOR 12 Apr]* 43
Health Official Reports on AIDS Cases *[ULTIMA HORA 12 Apr]* 43

Peru

Government Announces Economic 'Reactivation' Plan *[TELAM]* 43
Minister Says Antisubversive Plan 'Confidential' *[Lima TV]* 43
Independent Civic Union Registers as Party *[Madrid EFE]* 44
Japan To Extend Grant-in-Aid to Peru *[Tokyo KYODO]* 44

Cuba

Castro Congratulates Pinar del Rio Province

FL1204121589 Havana Radio Progreso Network in Spanish 1100 GMT 12 Apr 89

[Text] Commander in Chief Fidel Castro congratulated the people of Pinar del Rio for being the first province in the nation to meet its sugar quota.

During a visit to the Jose Marti sugar mill in San Cristobal, Castro said that the sugar workers' joy is justified because they have achieved an important production goal.

The commander in chief noted the developmental possibilities that Pinar del Rio has, especially the southern part of that province.

In his dialogue with the people and workers at the Jose Marti sugar mill, the leader of the Revolution praised the work done by the people of Pinar del Rio in sectors such as agriculture, health, and electronics.

Castro noted in a special way the effort done in the westernmost province to increase industrial production while at the same time they try to save resources such as oil.

During the ceremony, which was held in San Cristobal, it was also noted that, until the end of the present sugar harvest, the workers of that sector plan to produce more sugar to give an extra boost to the national economy.

The people of Pinar del Rio fulfilled their quota ahead of time despite certain setbacks by some of the mills due to rains. This means that the workers had high levels of productivity, efficiency, and work.

Tripartite Delegation, Internationalists Arrive

FL1204122789 Havana Radio Progreso Network in Spanish 1100 GMT 12 Apr 89

[Text] A new group of internationalists made up of 259 men and women returned to our country from Angola. Those internationalists were received at the Jose Marti International Airport by Jose Ramon Fernandez, member of the Communist Party of Cuba's Politburo. Fernandez congratulated the returning internationalists for the successful completion of their missions.

Returning along with the combatants was the delegation that participated in the tripartite—Angola, Cuba, and South Africa—commission meeting that was held in Namibia last weekend.

Combatants Welcomed

FL1204191089 Havana Tele-Rebelde Network in Spanish 1700 GMT 12 Apr 89

[Excerpts] The official welcome for the latest group of Cuban internationalist combatants arriving in the fatherland from the People's Republic of Angola took place this morning at the mausoleum where the remains of Lieutenant General Antonio Maceo and his aide Panchito Gomez Toro are kept at El Cacahual.

[Begin recording] [Passage omitted] [Jose Ramon Fernandez, minister of education] After having fulfilled your duty with honor and glory, receive today during this solemn moment and at this historic memorial—symbol of the struggle, loyalty, and intransigence of the Cuban nation—the highest recognition of Comrade Fidel, the party, the government, and all the people. [end recording]

Official Delegation Visits Namibia for Meeting

FL1204193689 Havana Tele-Rebelde Network in Spanish 1700 GMT 12 Apr 89

[Text] An official Cuban delegation and a Cuban television crew visited Namibia for the first time this weekend. Namibia is a territory occupied illegally by South Africa. A special meeting of the Angola-Cuba-South Africa joint committee took place in Namibian territory. The United States and the Soviet Union participated as observers.

SWAPO Withdrawal 'Hindered' by South Africa

FL1204180689 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 89

[Text] The SWAPO [South-West African People's Organization] guerrillas' withdrawal to Angola was hindered today by South African attempts to offer prisoner exchanges to the combatants of that organization that are reporting to the gathering posts in north Namibia.

Last night, Louis Pienaar, South African administrator of Namibia, suggested in a news conference that SWAPO militants who report to the aforementioned control posts could be interrogated.

A spokesman for the UN military forces supervising the decolonization process of Namibia, UNTAG [UN Transitional Assistance Group], stressed that SWAPO combatants will be treated as fighters in an organized withdrawal. It was also reported, by eyewitnesses, that in the gathering posts, or close to them, there is still an ample South African military presence. This is an obstacle in the withdrawal of SWAPO forces to Angola.

However, no military action in the surrounding areas has been reported in the extensive north Namibia-Angola border, although small clashes between SWAPO and South African forces in the bush region are not out of the question.

The secretary general of the Organization of African Unity, Ide Oumarou, said that SWAPO leader Sam Nujoma's decision to withdraw his combatants from north Namibia is wise and brave. In the message sent to the Namibian leader, Oumarou stressed that with SWAPO's gesture, no opportunity is being given to those who wish to compromise Namibia's independence process.

Statement Denies 'Operation'

FL1204223389 Havana Radio Reloj Network in Spanish 2203 GMT 12 Apr 89

[Text] The administrator general for Namibia today issued a joint statement with the United Nations to try to dissipate impressions that South African police were preparing an operation against the South-West African People's Organization, SWAPO.

This interpretation came about when Louis Pienaar, administrator general for Namibia, said that the police forces, along with the UN supervision troops, would interrogate SWAPO combatants, thus appearing to treat them as prisoners. UN sources immediately disassociated themselves from Pienaar's statements, and the situation originated an explanation which was distributed to the international press today. The document clarifies that the objective of the withdrawal of the combatants is to restore the situation, and that the gathering points were chosen to facilitate their passage to Angola.

Havana Notes 1,721 UN Troops in Namibia

FL1204200689 Havana Radio Reloj Network in Spanish 1932 GMT 12 Apr 89

[Text] UN troops deployed to Namibia to supervise the process of independence today totaled over 1,721 soldiers, the majority of whom are from Finland. Francois Juliani, UN spokesperson, affirmed that mobilizations are under way to deploy as quickly as possible the over 4,500 troops assigned to that area.

After his trip to various countries in southern Africa, Soviet Foreign Minister Anatoliy Adamishin said that despite the fact that the decolonization process of Namibia is difficult, the desire to carry out the task to its successful end has overcome the difficulties. At the Soviet Foreign Ministry press center, Adamishin referred to the statement issued by the Angola-Cuba-South Africa Joint Commission on 9 April, and he emphasized the need to define as well as to put into practice the goals of the SWAPO to achieve the solution to the situation as soon as possible.

WFTU Members Issue 'Final Resolution'

FL1204185389 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 89

[Text] The 41st session of the World Federation of Trade Unions [WFTU], which has been meeting in Havana's Palace of Conventions since yesterday, will end this afternoon after approving a final resolution.

The members of the WFTU bureau will call for, in the final resolution, an urgent and immediate 10 percent reduction of every country's military spending and employing the sum of this reduction to satisfying the needs of economic and social development.

Another aspect to be included in the document is the need for permanent attention to the social consequences caused by the foreign debt crisis. This debt is now at $1.3 billion. The document also draws attention to the persistent U.S. policy against Nicaragua by supporting the contras. They also reiterate the WFTU's solidarity with the Nicaraguan workers and people who are defending their revolution and national sovereignty.

The final resolution of the 41st session of the WFTU, which should be approved this afternoon, also calls for a special resolution expressing solidarity with the workers and people of Namibia.

Trade Union Meeting Ends

FL1304014489 Havana Television Service in Spanish 0000 GMT 13 Apr 89

[Text] The 41st meeting of the bureau of the World Federation of Trade Unions ended this afternoon.

The delegates, who gathered in the Cuban capital, approved the proposal for Moscow to host the 12th Congress of the WFTU. The congress will coincide with the 100th anniversary of the International Workers' Day.

During the last session, the world union leaders who attended the meeting agreed on the need to reduce by 10 percent the military expenditures of all nations, and to incorporate this 10 percent into the economic and social development of the respective countries. They also approved a special document of solidarity with the workers and people of Namibia, in which the total support for the SWAPO and for the Workers' National Union of that country is expressed.

Finally, the delegates representing Latin America and the Caribbean took advantage of the occasion to award the seal of the 50th Anniversary of the CTC [Central Organization of Cuban Trade Unions] to Ibrahim Zakaria, secretary general of the WFTU, to express recognition for his struggle for the cause of international workers. Pedro Ross [Leal], member of the Communist Party of Cuba Central Committee Secretariat and president of the commission which will organize the 16th CTC Congress, presented Zakaria with the seal. [video of Ross making presentation]

[Begin Ross recording] Receive with this commemorative seal of the 50th Anniversary of the CTC, a strong Latin American and Caribbean embrace. [applause] [end recording]

At the request of the journalists accredited to this event, Ibrahim Zakaria granted a news conference. Answering a question on the U.S. Brady Plan, Zakaria said he felt this plan cannot meet the desires of those who suffer the consequences of the foreign debt. He said: I feel that international trade unions have demonstrated that, through the development of solidarity actions, world unification of all workers can be achieved.

'Socialist' Press Meeting Begins in Havana

FL1204184589 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 89

[Text] The socialist countries newspaper directors' meeting was inaugurated this morning in Room No 2 of the Palace of Conventions. Delegates from over 10 countries are participating in this meeting.

Enrique Roman, director of the newspaper GRANMA which is the organ of the Communist Party of Cuba's Central Committee, gave the opening speech at the meeting. Roman, after welcoming the delegates, noted the importance of holding a meeting such as this saying it makes it possible to know and exchange stories on the achievements and transformations being carried out in every socialist country.

During the morning session, speeches were given by Viktor Afanasyev, member of the CPSU Central Committee and director of PRAVDA, and (Rodolav Radavev), director of the Bulgarian Communist Party organ.

Both directors talked about their experiences directing their respective press agencies, as well as their achievements and shortcomings in their labor to report everyday events in their countries.

The meeting of directors of central newspapers of socialist countries will end tomorrow [13 April] afternoon at the Palace of Conventions.

PRAVDA's Chief Editor Grants TV Interview

FL1304022389 Havana Television Service in Spanish 0000 GMT 13 Apr 89

[Interview with Viktor Afanasyev, chief editor of Soviet newspaper PRAVDA, by unidentified reporter, date and place not given—recorded]

[Reporter] What importance does the Soviet press give to the results of Mikhail Gorbachev's visit to our country?

[Afanasyev in Russian with simultaneous Spanish translation] Our country loves Cuba and the Cuban people very much. We gave extensive coverage to the visit, and prior to Gorbachev's departure to Cuba, we dedicated a full page to Comrade Fidel in PRAVDA. We are very happy that this friendship and cooperation has been strengthened and solidified in the agreement signed by the two leaders here in Havana.

[Reporter] Comrade Afanasyev, currently, how do you think the press should approach the history of your country?

[Afanasyev] The study of history permits us to delve deeper into our experience, eliminate that which is negative—the (?Stalin) cult, repression. However, history cannot only be painted black. History must be depicted based on fact and documents, and not made up. Unfortunately, certain USSR press organizations are really more preoccupied with the distortion of history rather than with the study of it. PRAVDA is not going along that road. Our newspaper regularly publishes a section entitled: Pages of History. However, we do it based on facts and documents. Soon, a book based on this material will be published. There have been good and bad things in our history. There were crimes. However, we also had the people who won in the great Patriotic War and who are building socialism. The main task of the press is to show history with dignity to the people.

Vice Minister To Chair ILO Conference

FL1204174089 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 89

[Text] For the first time, a Cuban representative has been chosen for the Administrative Council of the International Labor Council, ILO, and will preside over a high-level meeting in Geneva.

This position was given to Hector Martinez Brito, vice minister of the state committee for labor and social security, who today inaugurated the ninth ILO meeting on plantations [as heard].

Martinez Brito thanked the ILO for the position, but stressed that this is a great responsibility during a time of immense difficulty. Among these difficulties, Martinez Brito mentioned changes of an economic and social nature which are characterized by market instability and a decrease in products that come from plantations.

The Cuban vice minister added that the deterioration of the market has been a negative influence on national economies, affecting their capacity to deal with the suffocating foreign debt. Martinez Brito also said that these circumstances have negatively affected social input with a decrease in the ability to work the entire period and an increase in temporary jobs on the plantations.

The ILO plantation conference meetings will end on 20 April, a date on which the recommendations will be formulated to improve social conditions for workers in the sector, especially for women and children.

'March of Combatant People' Planned for 1 May

FL1204124089 Havana Radio Progreso Network in Spanish 1100 GMT 12 Apr 89

[Text] At least half a million people from Havana will parade on 1 May in the March of the Combatant People. The ceremony, which will mark the International Workers Day will be held in Havana's Revolution Square.

The people of Havana responsible for the national ceremony will show their support for the Communist Party of Cuba, Fidel, as well as their decision to continue furthering the rectification process.

Robbery of State Goods Called 'Social Danger'

FL1204184489 Havana Radio Reloj Network in Spanish 1426 GMT 12 Apr 89

[Text] The Holguin Provincial People's Tribunal sentenced Alexis Remilio Perez and Gabriel Rodriguez Gonzalez to 5 years' imprisonment for the crime of breaking and entering. They forced open the blinds of the Vita social center in the Rafael Preire Municipality and stole 1,321 pesos from the premises.

Also sentenced for similar crimes to 5 years and 8 months' imprisonment were Erasmo Sanchez Cruz, Ladio Rodriguez Cedeno and Juan Rodriguez Cedeno, who broke open the door of a store in Holguin to steal state goods for their own profit. The sentencing judge took into account the great social danger of crimes committed against goods belonging to the nation, as well as the love of money and bad conduct of the defendants, two of whom had previous criminal records.

* Storage, Distribution of Potatoes Described

32480106a Havana JUVENTUD REBELDE in Spanish 24 Feb 89 p 2

[Article by Ana Margarita Gonzalez]

[Text] During the months of March and April, the markets will be inundated with potatoes, and in our homes we must prepare to store them for as long as possible so that we can stretch supplies for our diets.

Not all of the potatoes harvested at this time are distributed fresh to the population; major quantities are always sent to packing plants for marketing after the peak season is over. But there will be enough potatoes to have a good supply at home.

Weather factors prevented the agriculture sector from planting potatoes at optimum intervals, so 1,200 caballerias was planted at once this year. As a result, there will be a short harvesting season; in other words, in just a few days, large quantities will have to be harvested, and the country does not have the refrigeration capacity to handle such a large volume.

The saying "a lot is better than a little" holds true in this case, so it is preferable to accommodate the conditions of each place to preserve this product, rather than giving up the high volumes our farms can produce at this time.

Both the planting and the harvesting require a major effort by the workers in this sector, so the work will have to be carried out with greater intensity. Moreover, the storage enterprises will also have to do their part to meet the demand so that the product will reach the markets on time and be distributed efficiently.

There are traditional home remedies for preserving root vegetables for relatively long periods, such as using the bottom drawers of the refrigerator, or choosing the driest place in the house, a little corner on the balcony, a vegetable drawer where the air can circulate...in short, many experiences that we can benefit from in the coming months.

The main thing is for the population to prepare for the onslaught, and to avoid temporarily overdoing potatoes in the diet only to suffer the lack of potatoes later on.

The Agriculture Ministry is carrying out a program of phased planting for almost all vegetables in order to maintain supplies during the off-season. This also applies to the crop we are discussing here, and the ministry will try to take adequate measures in future harvests.

This time the weather did not cooperate with man's objectives. Meanwhile, man continues to strive to overcome the obstacles that nature sometimes puts in his way.

* Municipal Assembly Delegates' Duties Explained

32480106b Havana JUVENTUD REBELDE in Spanish 8 Mar 89 p 2

[Article by Ada Mendez]

[Text] The delegate is not just the leader of his constituents, but much more; he is their representative. Hence the importance of this commitment to be the link between the people and the Municipal Assembly.

To the extent that he is better prepared to actively assume his rights and duties, he will be better able to fulfill his responsibility and earn the trust placed in him by the masses of his community.

But the delegate cannot be a passive entity; on the contrary, his organized and combative participation is vital for enriching the documents and agreements, as he plays a key role in educating and informing the people about the issues that are of greatest concern to them and how they can be dealt with. His mission is not limited to transmitting complaints and problems, but is basically one of studying and implementing solutions.

All the people await his explanations regarding the activities of the municipal People's Government and its management of affairs. They all need to know how the issues raised by them have been dealt with, whether or not there are solutions, whether they will take a long time, and what the reasons are for every change or measure. No one should face the masses without an explanation.

Contrary to what some believe, the delegate's function is not to personally carry out administrative tasks such as the distribution of construction materials or the provision of goods and services. First of all, it is his duty to vote in the Assembly to approve the policy to be followed in the distribution of these goods, and to oversee compliance with the agreements adopted there. He is also supposed to combat any manifestation of favoritism or any violation of established regulations.

Absurd explanations or formalistic reasoning in order to avoid the issue tarnishes the delegate's image, because he doesn't convince anyone. He should demand all the necessary details in the Assembly or in the Municipal Executive Committee so that he can convey them convincingly to his constituents.

Duties

The duties of a delegate are: to attend the meetings of the Municipal Assembly and the committees punctually; to report periodically to the Assembly on his work; to adhere to the agreements that affect him; to perform the tasks assigned by the working committee of which he is a member or by any other committee, as well as those imposed by the Constitution, the law, and regulations.

In addition, he must bring to the municipality the opinions, complaints, and suggestions of his constituents; meet periodically with them to report on the activity carried out by the municipality and by him in his official capacity; to directly deal with economic and administrative agencies to provide solutions and responses to the demands of the masses who elected him; and to devote one day a week to see constituents in his office, among others.

Rights

The delegate's rights include: participating with voice and vote in the sessions of the Assembly and the committees to which he belongs; electing others and being elected to office; proposing agreements in areas over which the Assembly has jurisdiction; inquiring about matters affecting his community with the Executive Committee, administrative offices, enterprises, and budgeted units.

In addition, he may propose the removal of another delegate; receive an I.D. card and stamps to be used in connection with his duties; request that items be placed on the agenda; and periodically receive reports on the municipal administration and plans for the work of the People's Government.

*** Achievements in Reagent Production Reported**
32480105a Havana TRABAJADORES in Spanish 2 Mar 89 p 3

[Article by Silvia Martinez Puentes]

[Text] The Institute of Oncology and Radiobiology has achieved the stable production of diagnostic and therapeutic monoclonal antibodies after more than 2 years of intensive research. This is one of the most important scientific and technical achievements in the country in 1988.

Gisela Gonzalez, chief of production in the tumor biology department of this institute, told TRABAJADORES that the conditions are now right for the production of the reagent both for national needs and to guarantee exports.

This result, she said, represents the consolidation and refinement of an effort to stabilize the production of 20 different diagnostic, antileukocyte and paracarcinoma monoclonal antibodies, with the development of quality-control techniques. Thus, two therapeutic monoclonal antibodies were obtained and used on 27 patients.

Last year production totaled 30.2 grams, and was distributed among 30 national institutions and 8 foreign ones. If this reagent had had to be imported, it would have cost in excess of $610,000.

Today the antibodies are in the process of being registered as a medication, and national clinical laboratory and pathological anatomy groups are studying regulations for the generalization of their diagnostic use.

These reagents are used in the identification of cellular subpopulations, in tissue antigen typing and blood typing, in the diagnosis and treatment of parasitic infectious diseases, in the measurement of hormone circulation levels, in revealing tissue damage, in the detection of toxics and drugs, in the diagnosis, treatment, and follow-up of malignant tumors, in organ and tissue transplants, and in the immuno-chemical purification of various molecules.

*** Views Toward Radio Marti, Religion Discussed**
32480105b Havana JUVENTUD REBELDE in Spanish 27 Feb 89 p 5

[Commentary by Soledad Cruz in the "Through the Eye of the Needle" column]

[Excerpt] Miriam and Manuel pose questions regarding the oft-discussed, overworked theme of individual freedom and how respect for such freedom is interpreted. I will give you some background, then.

"Can you comment on the freedom of the individual to choose whether or not to listen to enemy radio?" asks Miriam, and she adds: "Some listeners in our country write that station, saying that they are persecuted for listening to it, although they know perfectly well that this is not true. And I have a problem with that in my building, because some neighbors play that station full blast so that everyone will hear it, and it may be for other reasons.

"In my house, then," writes Miriam, "I can't listen to what I want to hear, because I get interference from the radio of these neighbors, both in front and in back. These people are exercising what they call their individual freedom, but what about mine? Don't I have the individual freedom not to listen to that stupid radio station? If you ask them to turn it down, you get into trouble with them, and if you call the local police and they are fined for disturbing the peace, they call you a snitch. Will I have to exercise my right by force, like it or lump it?

"I am telling you all this," explains Miriam, "without regard for the political aspect and the ideological struggle, just as an individual in this country who also has some personal freedom. The same is true with religion. I respect religious people, but they don't respect my atheism. They give me lectures and sermons to convert me. Everyone always talks about respect and the freedom of conscience, freedom of choice, but no one ever talks about the right of the nonreligious to have others respect their choice. Don't you think that someone should come out in defense of that side of individual freedom?"

Miriam's questions strike me as extremely interesting, because usually complaints in this area are at the opposite extreme, and some believe that their right to differ from the majority trends in our society also gives them license to proselytize. Sometimes, in the name of respect for that "individual freedom," the freedom of those who think differently is affected.

This is not a matter that can be resolved in two paragraphs; it is one that requires careful consideration and debate on the level of Miriam's arguments. Individual freedom reaches its social limit when it begins to harm others, because then it violates elementary principles of consideration that are promoted by peaceful collective existence.

There are no legal restrictions on listening to the radio, just moral ones. Tuning into enemy radio in a disruptive manner amounts to provocation and, to be sure, a way of taking a stand. But there are laws that prohibit bothering one's fellow men, and these laws can be enforced in the case of Miriam's neighbors, in addition to collective discussion and a pronouncement on the matter by the Neighborhood Council.

Manuel Varona's question also falls within the category of the lack of respect for coexistence, although it has to do with a more commonplace issue, cutting in line. "Am I justified in protesting when, after I've been waiting my turn for hours, someone comes up and just cuts in front of me?" asks Manuel. Of course he's justified. But it so happens that there are a lot of accomplices in all these disrespectful behaviors. This is essentially a problem of learning civilized manners, and all of us should contribute to that.

Bahamas

Minister on U.S. Aid in 'Drug-Related Matters'

FL1204201289 Nassau Domestic Service in English 1700 GMT 12 Apr 89

[Text] In the House this morning, a clarification House members' meeting and members voting to go back to the agenda to accommodate the minister of foreign affairs, the Honorable Charles Carter, who wanted to set the record straight in what he called misleading trash reports recently which gave the impression that the American certification process of the Bahamas is complete. Here is Martin Alberry with more on that story.

[Begin Alberry recording] Just recently returned from a trip to the U.S.' capital, Washington D.C., for a speaking engagement, the minister of foreign affairs, the Honorable Charles Carter, took the opportunity today to set the record straight on editorials appearing in the NASSAU GUARDIAN and an article in THE TRIBUNE during the month of March which gave the impression that the process of certification of the Bahamas by the United States was completed.

Mr Carter said in no uncertain terms that the certification process of the Bahamas as a country which fully cooperates with the United States in drug-related matters is not completed and it is misleading to suggest otherwise. He said there is an impression that all of the successful drug interdiction efforts which take place in this country are because of U. S. initiatives and information but he said this could not be further from the truth.

He said every responsible Bahamian should be aware that the Bahamas spent more per capita than the United States in the fight against drugs and the record of the Bahamas Government speaks for itself. Mr Carter said because of the drug interdiction efforts of law enforcement agencies in the United States and the Bahamas, this country is now less attractive to drug traffickers. [end recording]

Dominican Republic

* January National Budget Office Report

32480104a Santo Domingo LISTIN DIARIO in Spanish 24 Feb 89 p 13

[Text] Fiscal revenue in January totaled 409,179,657 pesos from internal sources, plus 25,478,624 pesos in external funds, as the National Budget Office announced in its monthly report, published in its entirety in this edition.

According to the report, in January investment excluding external funds totaled 231,914,578.21 pesos.

The agriculture-livestock, irrigation, and energy sector benefited from 46,284,975.58 pesos.

In particular, the National Institute of Water Resources (INDRHI) received 3,690,436.21 pesos for the construction and supervision of the Jiguey-Aguacate dam, canal construction, and dam repairs.

The sum of 12,805,698.67 pesos was allocated to the Agriculture Secretariat for the purchase of seed and tubers to be distributed among producers on the national level.

The Dominican Electricity Corporation (CDE) received 20 million pesos to meet that institution's commitments.

The Dominican Agrarian Institute (IAD) obtained 5,216,885.50 pesos for the Peasant Consolidation and Settlements Program, and other projects.

The Special Fund for Agricultural-Livestock Development (FEDA) received 750,905.25 pesos for programs to support peasant settlements.

The La Cruz de Manzanillo Project was assigned 2,329,383.29 pesos for planting various crops and implementing a drip irrigation system.

INESPRE [National Institute of Price Stabilization] received 16,342,000.00 pesos for the Low-Income Market Baskets and Producers Market program.

The Public Health Secretariat benefited from 6,511,717.48 pesos for the purchase of medical equipment for hospitals, rural clinics, and health subcenters throughout the entire country.

The Public Works Secretariat was given 133,289,340.95 pesos, while the State Works Projects Inspection Office received 40,222,358.75 pesos.

National Goods received 6,445,020.86 pesos to pay compensation for improvements, buildings, evictions, and real estate payments prompted by construction of avenues, housing, local roads, etc.

*** 1988 Trade Balance Deficit Down Sharply**
32480104b Santo Domingo EL CARIBE in Spanish 1 Mar 89 pp 1, 4

[Text] According to official data from the Central Bank, the Dominican Republic's trade balance closed last year with a deficit of $709.6 million, that is, $170.6 million (19.4 percent) lower than the 1987 figure.

Last year Dominican exports totaled $890.4 million, and imports amounted to $1.6 billion.

The balance of payments, for its part, registered a surplus of $145.2 million, as a result of an increase of $71.1 million in international assets and a reduction of $74.1 million in international liabilities.

The Central Bank data, contained in a report prepared by the agency at the request of the technical secretary of the presidency, show that the decline in the country's trade deficit was due mainly to an increase of $179.1 million (25.2 percent) in exports, while imports rose by only $8.5 million.

According to the document, the increase in exports was due to a rise in prices of ferronickel and coffee beans, and to the increase in exported volumes of rich molasses, cocoa beans, leaf tobacco, refined sugar, and silver.

It adds that, in the case of raw sugar, an increase was observed in the export value attributed to the average price per 100 pounds, as a result of higher prices commanded by sugar on the world market.

Last year exports of coffee beans increased by $4.4 million over the $63.3 million exported during the previous year.

As for cocoa beans, the report claims that the sales made abroad last year totaled $62.3 million, or $4.1 million below the 1987 figure of $66.3 million.

Last year the value of leaf tobacco exports totaled $17.7 million. Bauxite exports totaled $2.6 million under the figure for the year before.

Last year 75,000 metric tons of ferronickel were exported, 3,000 fewer than in 1987, but with an average price of $177.00 per quintal [1 quintal equals 46 kg], representing an increment of $110.28 per quintal over the 1987 price. The total price for this item was $284.0 million.

During 1987 goods representing a total sum of $1.5915 billion were imported; last year, purchases totaling $1.6 billion were made abroad.

The report states that the rise in imports was due basically to the category known as "other imports" (unspecified ones), which increased by $44.3 million, those made by the National Institute of Price Stabilization (INESPRE), which rose by $24.7 million, and those of coal, which increased by $600,000.

The report states: "These increases exceed the reductions in imports of petroleum and by-products, and those made by Dominican Mills, which declined by $55.7 million and $5.4 million, respectively."

Last year imports of petroleum and its by-products totaling $322.2 million were made, $44.7 million under the 1987 figure, which was $377.9 million. It adds: "This decline is due to a drop of $2.83 per barrel in the average import price."

Unspecified imports, recorded under the code "other imports," were the largest last year, totaling $1.183 billion.

The Central Bank report explains that its exchange balance had a surplus of $74.3 million, as a result of foreign currency income amounting to $1.4733 billion, and outlays totaling $1.3845 billion.

° 1988 Total Exports Show 26-Percent Increase

32480104c Santo Domingo LISTIN DIARIO in Spanish 4 Mar 89 pp 1, 18

[Text] During 1988 the total national exports, excluding those from free trade zones, totaled approximately $901.2 million, representing a 25.6 percent increase over 1987.

According to the official data provided by the Dominican Center for Export Promotion (CEDOPEX), all exports, including those of free trade zones, increased 36.9 percent in 1988 over the previous year, rising from $1.408 billion in 1987 to $1.4254 billion last year.

During 1987 sales abroad totaled $717.7 million, or $185.6 million below last year's figure.

The increase in exports is due primarily to the increase in mineral sales abroad, which rose 62 percent over the previous period.

Among minerals, the ferronickel produced by Falconbridge Dominicana showed the largest increase, totaling 162.5 percent, with an absolute increase of $189.20 million.

Whereas ferronickel valued at $116.6 million was exported in 1987, these sales totaled $306.1 million in 1988.

Gold Shows a Reduction

Dore, a gold and silver alloy exported by Rosario Dominicana, underwent a significant reduction of 17.9 percent in 1988. During 1987 exports amounted to 119.5 million, and the next year, 98.1 million, showing an absolute difference of $21.5 million.

The decline in income from dore sales was due to the drop in international gold and silver prices, because the volumes exported were larger in 1988 (52,710 kg) than in 1987 (44,022 kg).

Exports of traditional products showed a slight 4.8-percent increase and an absolute increase of $12.4 million, rising from $165.6 million in 1987 to $178 million in 1988.

The Largest Increases

In this category, the largest increases occurred in the sale of refined sugar, with 333.7 percent, rising from $2.8 million to $12.8 million.

Raw sugar sales rose a modest 1.2 percent, and those of tobacco by 28 percent, while cocoa and coffee sales declined 2.1 and 0.5 percent, respectively.

The category of nontraditional products showed an increase of 1.4 percent. Agroindustiral products rose 30 percent, increasing from $52.4 million in 1987 to $68.4 million last year.

Items That Declined

Nevertheless, agricultural-livestock and industrialized items declined 4.3 percent. The absolute reduction in industrial exports totaled $12.4 million because, whereas in 1987 they totaled $79.7 million, in 1988 the figure was $67.3 million.

Exports from free trade zones totaled $524.1 million during 1988, with an absolute increase of $201 million, and a 62.2-percent increase over 1987, when they totaled $323.1 million.

The bulk of free trade zone exports lies in industrial products, whose 1988 sales were approximately $509.3 million, or $194 million over the previous year's sales.

Haiti

Dominicans Deny Commitment to Deport Lafontant

FL1204201389 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Apr 89

[Text] For the second time in one week, the Dominican Foreign Ministry has said that it has not received from the Haitian Government any request whatsoever, either verbally or in writing, to expel former Duvalierist minister Roger Lafontant from Dominican territory. The Avril government has named Lafontant the principal instigator of the failed 2 April coup d'etat in Haiti.

We have not received any such request, said Dominican Deputy Foreign Minister Fabio Herrera Cabral to AFP. He added: If there were such a request, we would study it.

According to a well-informed source that has asked to remain anonymous, the Dominican ambassador in Haiti also said, in the Dominican Republic, that he has received no such request from the Haitian Government.

In addition, Herrera Cabral said that President Joaquin Balaguer's government will expel from its territory any and all foreigners found to be involved in political activity. The government will not ever allow anyone to destabilize a friendly government. Dominicans may express themselves freely in their own country, because we do not interfere with freedom of speech. However, we will not permit actions to be taken against another government, said Deputy Foreign Minister Cabral. He added that one of the conditions for his government granting a foreigner asylum is for that foreigner not to betray the trust placed in him by granting him a visa.

The Haitian diplomatic mission in the Dominican Republic told AFP that the Haitian Government had a great interest in the expulsion of Roger Lafontant from the Dominican Republic. We have clear information on a meeting Lafontant had with the three former officers who tried to effect a coup d'etat in Haiti on 2 April, said someone close to Haitian diplomatic circles in the Dominican Republic. Lafontant represents a great danger to the political stability of Haiti and the Dominican Republic, this same diplomatic source added.

We remind listeners that in a press release on Saturday, 8 April, the Haitian military government declared that the Dominican Government had promised it, upon its request, to make Roger Lafontant leave the Dominican Republic as soon as another country would agree to allow him into its territory.

The following day, the Dominican Government denied ever having received such a request.

Questioned about this matter during his 10 April news conference, the president of the military government, General Avril, said that the request had been made verbally. However, the Dominican Foreign Ministry again denied this yesterday.

We point out that last month Haitian Foreign Minister Serge Elie Charles said that Dominican President Joaquin Balaguer had promised to pay an indemnity to the relatives of the Haitians who perished in the accident that took place in the Dominican Republic in January, and that President Balaguer later denied any responsibility for, or committment made in connection with, that matter, saying that the statements he had made in Caracas on the occasion of the inauguration of Venezuela's new president had been made unofficially.

Electoral Council Swearing-In Ceremony Delayed

FL1204194989 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Apr 89

[Text] Five of the nine members of the Provisional Electoral Council [CEP] were sworn in on Thursday, 6 April. However, three of the members who were not sworn in—the representatives of the human rights organizations, the AJH [Haitian Journalists Association], and the Protestant churches—on 6 April sent a memo to the president of the Court of Cassation, Mr Gilbert Austin. Here is what this memo says:

In a letter dated 6 April addressed to Mr Austin, Jean Gerard Pierre, the representative of the human rights organizations, Jacques Jovin, the representative of the Protestant churches, and Pauris Jean-Baptiste, the representative of the AJH inform the president of the Court of Cassation that, pursuant to their telephone conversation with him on that same day, 6 April, in connection with the swearing-in of the members of the CEP and the situation that existed in Port-au-Prince on 5 and 6 April, and given the climate of confusion and insecurity prevailing in Port-au-Prince in general and in the area around the law courts in particular where the military are confronting each other, and considering that it is in the interest of the entire nation for basic government institutions such as the CEP to exist, the installation of the CEP and its president should not be carried out discreetly—meaning without public knowledge of it, behind the public's back, without the public even being able to attend and watch.

They say that if the members of the CEP are sworn in under these conditions, the CEP might encounter many problems later. People might refuse to give it credibility. Therefore, the population must be able to follow what is being done.

They say that, in this same spirit, the signers of this letter ask the president of the Court of Cassation to postpone the swearing-in ceremony, the installation ceremony, until a later date, because this is a bad time and they themselves are not willing to be sworn in without the population being fully aware of what is going on.

The members of the CEP who were sworn in on 6 April were the representatives of the executive, the Haitian Bishops Conference, the man supposedly representing the unions, and the representatives of the university and of the Court of Cassation. The representative of the cooperatives was not in Port-au-Prince on 6 April, which is why he was not sworn in and did not sign the memo from the three representatives who were not sworn in.

We have learned that there might be another swearing-in ceremony, this time for all the members of the CEP, next Thursday.

Jamaica

Alpart Alumina Refinery Resumes Production

FL1204214289 Bridgetown CANA in English 1854 GMT 12 Apr 89

[Text] Kingston, Jamaica, April 12, CANA—The 1.1 million tonne Alpart Alumina Refinery here resumes production this weekend after being idle for more than 3 years, mining minister, Hugh Small announced.

Industry analysts say that a combination of factors, including the rejuvenation of the market for alumina and a decline in oil prices, have made the re-opening of the plant feasible.

Alpart (Alumina Partners) is starting up under a new ownership arrangement—75 per cent held by Kaiser Aluminium and 25 per cent by Hydro Aluminium A.S., a subsidiary of the Norwegian conglomerate Norsk hydro.

The refinery, closed since mid-1985, was previously owned 50:50 by Kaiser and Reynolds Metals, until Reynolds last year agreed to sell out equally to the new partners. The sale price has not been disclosed.

Originally the 18-year-old plant was owned by Kaiser, Reynolds and Anaconda, until Anaconda sold its holding to another American company, Atlantic Richfield.

Problems began for Alpart when Atlantic Richfield decided to get out of the metals business and return to its core operation of oil, and were exacerbated by the down-turn in the world aluminium market in the early 1980s.

Alpart was considered to be the most energy-inefficient of the alumina refineries here and this, combined with the contracted market, helped to precipitate the moth-balling of the plant.

The refinery was shut down not long after it had invested U.S. 100 million dollars for a new conveyer system to give it access to Jamaica's highest grade bauxite in the south central Manchester plateau, several miles to the north-east of the plant.

The share in Alpart gives Hydro Aluminium a stake in a refinery that the company has been seeking in this region, industry sources say. In the past the company has had talks with Guyana on possible supply and other deals.

Hydro Aluminium has a domestic smelting capacity of about 600,000 tonnes, but with tolling arrangements, it has need for an additional 1.2 million tonnes of alumina, sources here say.

The Norwegian involvement in the Jamaica alumina industry is coming a decade after it was first contemplated. In the late 1970s Norsk Hydro considered investing in a project to double the capacity of the Alcoa reinery here to a million tonnes, but the deal fell through early.

The re-opening of the Alpart refinery will significantly boost Jamaica's total bauxite production this year and will have a strong impact on the country's foreign exchange earning and employment. Last year, total bauxite production was 7.41 million tonnes, down 3.3 per cent on the 1987 figure. Officials are forecasting production this year at a little over nine million tonnes, reflecting mainly Alpart's operation and a move towards full production by the two Alcan refineries. Small said that Alpart has already emplyoyed 1,100 workers, with 225,000 tonnes of bauxite to start up operations.

The restart of the plant will mean foreign exchange inflows to Jamaica of nearly U.S. 50 million dollars, Small said.

St Lucia

Prime Minister Presents Budget to Parliament

FL1204155389 Bridgetown CANA in English
1454 GMT 12 Apr 89

[Text] Castries, St Lucia, April 12, CANA—St Lucia's Prime Minister John Compton on Tuesday presented a EC370 million dollar (1 EC dol; 37 cents U.S.) tax-free budget in parliament here, saying that it represented signs of economic growth achieved through hard work and careful planning.

Recurrent expenditures totalled 216.5 million dollars—up 26 million from last year—with the capital programme costing 153.8 million, some 56 million dollars more than in 1988.

Compton said current trends suggest that an annual growth of over 6 per cent was expected for the 1988/89 fiscal year. The prime minister, who is also minister of finance, said that 252 million dollars will be raised from local revenue, 45.7 million from grants and 61 million from loans, with an unfinanced gap of 10 million dollars. He said that because of firm control over expenditures there is now a surplus on the current account which for the 1989/90 financial year is estimated at 39.8 million, while all arrears have been cleared, and payment of debt kept current.

He said that the estimates for the financial year 1989/90 can be compared with the "rites of spring", adding that for the first time in the last 10 years, the budget was presented against the background of industrial peace, which was achieved following successful negotiations with the island's public service unions. "The dark winter of dispair appears to be over and now on the far horizon we can see dawn's early light of hope," Compton told parliament.

Compton said that recurrent revenues continued to be drawn from taxes on income and profits and from customs' duties. "For the financial year 1988/89, in spite of substantial income tax relief granted under the new income tax act, yields from this source increased by 11 million over 1987/88," he disclosed. It is expected that even with further income tax relief for this financial year, the yield for 89/90 will exceed 89/90 by 2.5 million, he added. Local revenue was projected to increase by EC24 million dollars in 1989/90.

"The reasons for this increase are the surge in economic activity resulting from a new-found confidence of St Lucians in their country and respect earned abroad through the payment of debts and meeting regional and international obligations," he said. He said that a correspondent increase in expenditures from 190 million in 1988/89 to 216 million in 1989/90 was the result of what amounts to a 15 per cent pay increase to public sector unions 1986-89 and further increases of 9 per cent of the years 1989-92.

Compton said that the favourable investment climate resulted in the creation of 2,000 new jobs in the industry since 1982. Government, he said, was also seeking to encourage establishment of small business through the creation of a small enterprise fund of EC2 million dollars.

The finance minister said that with a population increase of 4,000 per year, St Lucia needed to sustain a growth rate of four to six per cent to be achieved through hard work. Compton warned that the was beginning to see that "frightening orgy of consumerism" that had brought several countries to their knees. He called on St Lucians to "hold strain", as their personal priorities must reflect the development goals of the country.

In the area of trade, he said that while imports from the OECS [Organization of Eastern Caribbean States] rose from 13 million dollars in 1986 to 15.3 million in 1988, exports increased dramatically from 18.9 million in 1986 to 32.9 million dollars in 1988—a hike of 14 million or 74 per cent in two years.

Trinidad and Tobago

UNC Political Party Begins Meetings

FL1204211989 Bridgetown CANA in English 1824 GMT 12 Apr 89

[Text] Port-of-Spain, Trinidad, April 12, CANA—Trinidad and Tobago's newest political party, the United National Congress (UNC), began a series of meetings this week, with its members criticising the party from which they broke. But the UNC members have come under fire from the party they helped defeat in the last general election, as the three campaign for a by-election.

UNC members complained that the ruling party had been "riding" them. The UNC, consisting of members kicked out from the ruling National Alliance for Reconstruction (NAR) after a series of criticisms about the direction of the 28-month-old administration, plans a formal launching on April 30 at Port-of-Spain's national stadium.

The UNC is currently using a May 1 by-election in the north Tridiad St Andrew/St David County to "take on" members of the NAR and Prime Minister A.N.R. Robinson.

UNC interim leader, Basdeo Panday, formerly external affairs minister with the NAR administration, told a Monday night UNC meeting in south Trinidad that the by-election for a newly vacant seat would be used to "teach Robinson a lesson that our backs are not for riding."

However, the official opposition People's National Movement (PNM) has been campaigning in the same Guaico-Cumuto area against both the NAR and the UNC. PNM MP, and general secretary, Morris Marshall told a meeting in the area that UNC leaders were to blame for establishing the NAR and for bringing in Robinson as the leader of the four-party grouping which removed the PNM from its thirty years in power. "It is not that they didn't know that Mr Robinson was the least equipped to administrate the affairs of the country," Marshall said. "If the country is in pain and distress today, Panday, Kelvin Ramnath, Trevor Sudama and others must share the blame for dragging Trinidad and Tobago down the drain," Marshall said asking the crowd at the public meeting to also reject the UNC candidate.

President Speaks on Land Reform, Modernization
PA1204143389 Mexico City Red Nacional 13 Imevision Television in Spanish 2058 GMT 10 Apr 89

[Speech by President Carlos Salinas de Gortari before peasant organizations; date and place not given—recorded]

[Text] You from the various peasant organizations here today, we are witnessing a manifestation of democracy and justice—democracy because we have shown respect for Mexico's diverse social organizations, and justice because we have turned words into actions through the promotion of organized projects that will directly benefit farmers.

Therefore, the purpose of this event is to make our concerted efforts a success and particularly to fulfill my pledge. We approach our concerted efforts with a sense of democracy and a desire for justice.

I have called for the creation of a Permanent Agrarian Congress, which I view as a political solution with a clear social purpose and as a joint effort of all those who have made good faith commitments to improve the well-being of Mexican peasants amid an atmosphere of freedom. This is precisely the modernization Mexico seeks, a modernization characterized by two elements: nationalism and populism. Mexico's modernization is nationalist because it seeks to strengthen our fatherland's sovereignty. In today's world, every nation is subject to change; change is inevitable, but it will not guarantee a nation's survival.

Mexico wants to make its own changes so that we can continue to be Mexicans; if we do not modernize, the world's insistence on change will destroy our fatherland. Consequently, it is our historic duty to promote change in a deliberate, orderly manner, in strict compliance with the law, and with a clear sense of nationalism in order to maintain our fatherland's sovereignty. The changes Mexico seeks are not intended to benefit the minority; that is why modernization is popularly regarded as an effort to raise the standard of living for the majority of Mexicans. The term modernization is common throughout history, including Mexican and world history. [Former Mexican President] Porfirio Diaz attempted to modernize Mexico by catering to foreign interests and granting privileges to the minority. That is why the Mexican revolution took place; it was an effort to modernize the fatherland by strengthening its independence and benefiting the majority of Mexicans.

Mexico must be modernized because the extraordinary effects of social reforms made during the thirties have become exhausted. This is just why Mexico must renew its modernization effort and create a new agrarian reform; the beneficial effects of the agrarian reforms made during the thirties have been exhausted. We must take this unquestionably bold step, which is fundamentally nationalist and popular in nature and has, consequently, been approved by the majority of our fellow citizens. We will carry out this rural modernization to strengthen our fatherland and to raise Mexicans' standard of living. The purpose of Mexican modernization is, furthermore, clearly democratic and just. It is democratic because it has not been imposed on us from on high; the government is promoting modernization in response to the citizens' demands.

The government is prepared to launch this modernization effort because the Mexican peasants through their organizations are asking for it. Our modernization efforts are not intended to replace the peasants' right to make the basic decisions affecting their daily lives. Modernization will give the peasants an active role in the transformation of our homeland. That is why our modernization efforts are democratically significant. [applause]

Modernization will be for the sake of justice. The law protects all Mexicans and should reflect reality. We Mexicans must enjoy the full guarantees to which we are entitled under the Constitution and the legal system. We want this for all Mexican farmers and peasants so that they can carry out their work in the peace that results from a country's demands for justice. Mexico demands that justice.

I have heard your demands today and on other occasions for more agricultural resources. We are committed to meeting these demands. We carry out our struggle at international forums and here at home to open opportunities for our country's growth and to obtain the resources necessary for farmers who have made great investments in their farms and who legitimately demand more credit, improved marketing conditions, and greater peasant and city worker incomes. This is the struggle we are waging with a sense of nationalism and justice at international forums and here in Mexico. I invite you to join this struggle. I understand that you are ready to join this struggle today. It is a struggle for Mexico, by Mexicans, but, above all, it is a struggle for those who have the least and need the most. [applause]

I accept your proposal for an expanded dialogue on agricultural product prices, a dialogue in which everyone will participate, including urban residents, so that we can find the difficult balance between profitable prices for the farmer and reasonable costs for the urban consumer. Let us recognize the need for profits, but let us also recognize the need for reasonable prices. Otherwise we would be giving benefits to the few who already have access to lines of credit, better marketing conditions, and improved technology, to the detriment of the majority of urban consumers.

Let us hold this open dialogue with objectivity and in peace. I invite you, and I am certain that you will participate with the same good faith that has inspired the national government to find improved ways to fulfill the peasants' legitimate demands for a higher standard of living.

The national government is committed to protecting the lives of farmers and urban residents. That is why I have instructed federal authorities to take actions against local politicians who negatively affect the lives and integrity of those fighting to improve social conditions. [applause] I have also invited state governors to participate, and they have promised to help us to uphold the law and to give all law-abiding citizens full legal guarantees and protection. That is our commitment, and I promise to make that commitment a reality. [applause]

Fellow social combatants, today we are celebrating the 60th anniversary of Zapata's death. He fought, according to some, for greater productivity, but I say that he fought simply for justice in agriculture. His demands were that rural communities be respected, which is what rural citizens desired. That is why it has been written that Zapata headed the struggle of a group of peasants who did not want to change and that is why they started the revolution.

Of course they opposed a change that benefited only a minority who were not even Mexicans. Zapata demanded change, but change that continued to respect the customs, traditions, and the communal lives of the farmers. We do want to see our peasants leave the farms; we do not want their children to have to leave, and, if they do leave, we want them to return with a better knowledge than their parents or grandparents could ever give them.

Let us remember the death of that social combatant and become inspired to struggle for Mexico's future. Let us remember our forefathers with pride, because only in this way will we know where we are headed. Let us take pride in our history and our national heroes. Let us fight this battle for Mexico, for its sovereignty and for the Mexican people's welfare. Let us do so to promote democracy and justice. I am convinced that you want this, and I give you my commitment. [applause]

Salinas Appoints New Presidential Adviser

PA1204140989 Mexico City UNOMASUNO in Spanish 11 Apr 89 p 2

[Summary] Mexican President Carlos Salinas de Gortari yesterday appointed Gabino Fraga Mouret, former secretary of Urban Development and Ecology, as his adviser. Fraga Mouret has vast experience in Pemex [Mexican Petroleum] international operations and has held many government posts throughout his 26-year career.

Nation Signs $3.5 Billion Agreement With IMF

FL1204130789 Bonaire Trans World Radio in English 1100 GMT 12 Apr 89

[Text] Mexico has signed an agreement with the IMF. Mexico will get $3.5 billion over 3 years to reduce payments on its debts; that will make more money available for investment within Mexico to spur growth. The IMF has imposed no further economic restraints on Mexico and the Mexican peso will stay at its current level.

Aspe on 'Letter of Intent'

PA1204164689 Mexico City Red Nacional 13 Imevision Television in Spanish 1402 GMT 12 Apr 89

["Exclusive" interview with Pedro Aspe, finance and public credit secretary, by Claudio Guzman in Mexico City; date not given—recorded]

[Text] [Guzman] Friends, we are at the office of Pedro Aspe, Mexican finance and public credit secretary. A few minutes ago, Secretary Aspe released the essential points of the agreement Mexico has signed with the IMF and the policies to be followed by Mexico over the next few years.

Secretary Aspe, thank you very much for this interview. First, we would like to know to what extent were the negotiation guidelines presented by President Salinas de Gortari respected in the negotiations? At the beginning of his administration, President Salinas de Gortari established the guidelines for the foreign debt negotiations. The main purpose of those guidelines was to reduce the foreign debt and service payments.
[Aspe] As you may recall, and as the vast majority of Mexicans will recall, on 1 December—when President Salinas de Gortari was inaugurated—he presented four very specific points that led to the creation of an agenda for the foreign debt negotiations. I would like to recall those four points in case anybody has forgotten them.

The first one was to reduce the net transfer of resources abroad. The second guideline was to reduce the historical, accumulated foreign debt. The third was to reach a multiyear agreement to avoid the uncertainty of annual negotiations. The fourth guideline was to firmly and consistently reduce the great gap between Mexican production and the foreign debt throughout the Salinas de Gortari administration.

The agreement reached with the IMF today touches upon each of the aforementioned points. Let us first discuss the reduction of net transfer of resources abroad. An economy that transfers too much of its resources abroad cannot grow. In the past 6 years, we transferred 6 percent of Mexican production abroad.
[Guzman] Every year?
[Aspe] Yes, every year. In the past 6 years, we have registered a 6-percent net transfer of resources abroad. That, of course, impeded our economic growth. We have not grown economically in the past 6 years. President Salinas told us that we must reduce the transfer of resources abroad. What does the agreement with the IMF recognize? Well, it recognizes that if that transfer of resources is not reduced, then the Mexican economy will in fact not grow.

The agreement, however, goes beyond that. It recognizes what the Mexican Government has been saying for the last few months. To experience an economic recovery, to

reach growth rates that are at least twice as high as the Mexican population growth rate, Mexico has to reduce its transfer of resources from 6 percent [of the GNP] to 2 percent [of the GNP]. The agreement recognizes the need to reduce the transfer of resources to less than 2 percent [of the GNP]. That is a specific point on which we made progress.

The second point is essential, absolutely essential. We are facing a problem of overindebtedness. We have too large a debt in comparison to the country's ability to make payments. For that reason, on 1 December, President Salinas de Gortari clearly stated that we must reduce the accumulated value of the historical foreign debt. As you all know, we have been talking with many countries, including Group of Seven member states, meaning the industrialized nations, specifically, the United States, Canada, Japan, and European countries, such as the United Kingdom, Italy, France, and Germany.
[Guzman] The countries that own capital?
[Aspe] The industrialized nations. We have talked with them and have begun negotiations. We told them that Mexico is facing a problem of overindebtedness and that we must, therefore, reduce our foreign debt and its service payments. That is one of the premises presented by President Salinas de Gortari on 1 December, regarding the debt negotiations. At that time, it was not even discussed in international circles. It is a pleasure to know that only 3 and ½ months later—on 1 April—the Group of Seven agreed to reduce some countries' foreign debt and service payments.

The IFM provisional committee—of which Mexico is a very active member—and the World Bank later recognized that same issue. That led to a basic plan, which has also been significantly promoted by U.S. Treasury Secretary Nicholas Brady.

Our agreement with the IMF includes Mexico's indisputable need to reduce the foreign debt and the service payments. Why must we reduce the foreign debt and the service payments? Because exchange terms—the price of our exports compared to the price of our imports—have decreased almost 40 percent over the last 6 years.

With the decrease in the prices of oil, silver, and all our exports and the increase in the prices of our imports, Mexico's payment ability declined. That is why we can seriously, professionally, and firmly say we are facing a problem of overindebtness.

On 3 April, the IMF admitted part of its task is to recognize not only the new debts, but also the reduction of the foreign debt and the service payments. The IMF even recognized that part of the resources they grant to the various countries can be used for that reduction. That is a basic recognition which took place only 8 days ago.

Once that decision was made, we moved quickly so we would become the first country to join that new IMF reality, a reality for which Mexico has been struggling for many years. For years, Mexico has been saying our present problems arose after the debt was contracted and that the debt must thus be reduced.

President Salinas' third debt negotiation guideline was that we did not want annual agreements. That is a very important point. We are already in April; what could we do with an annual agreement at this point? It would be a while before the agreements enter into effect; in a few months, the agreements would expire; and in January, we would soon be facing the debt problem again. The president would then have the finance secretary grab his bags and go try to solve the problem again. We cannot live that way. The Mexican people and society cannot live in this permanent anguish of solving the debt problem now and then facing the same problem 6 months later.
[Guzman] That has been happening during the last few years.
[Aspe] That is right. To avoid that uncertainty, President Salinas' guideline established that Mexico wanted a multiyear agreement and not an annual agreement.

The agreement signed with the IMF today recognizes that fact and recognizes that the enormous uncertainty created by annual negotiations forces us to face extremely high interest rates that hinder investment and create enormous anxiety among Mexicans.

The agreement recognizes that fact. The agreement is not a typical annual agreement, but a 3-year agreement that could possibly be extended to a 4th year, depending on whether the Mexican Government thinks it is suitable or not to extend the agreement for another year.

The fourth guideline presented by President Salinas is that we must reduce the gap between Mexican production and the foreign debt. It is a vital point. If the three previous guidelines are met, the fourth one will not be a problem.

In fact, the letter of intent with the IMF reflects that. The ratio of the debt to the GNP must decrease over the next 6 years. This is absolutely essential to ensure sustained growth. The Mexican people have shown solidarity and resistance, but at an enormous cost. This tenacity allows us to now say that one step has been taken and that the negotiations will continue; however, this is only one step. The four points on the agenda are not only a matter of international debate, but have also become part of the decisions reached through negotiations.
[Guzman] After this first step, which has been exhausting and requires a lot of hard work, what will the finance secretary do to ensure that international private banks will follow the IMF's example and give credit to Mexico to fulfill its domestic policy objectives?
[Aspe] There are certain steps that must be taken before we can complete our negotiations with the World Bank. After those steps are taken, we must restructure our debt with the so-called Paris Club. The specific names and acronyms used are beside the point. The Paris Club basically

includes the most important countries that have import-export banks and that finance those countries, such as Mexico, that are involved in international trade.

That group grants lines of credit for trade purposes and for importing certain kinds of machinery. We must now restructure those lines of credit. Following the signing of the IMF agreement, we can quickly proceed to work with the Paris Club to restructure the debt through specific official measures.

Then comes the main part of the next phase: negotiation with commercial banks. As I have said on many occasions, and in keeping with the clear instructions given by President Salinas de Gortari to the Finance Secretariat, we are presenting a series of options: a debt reduction, a reduction in the service on the debt, or the granting of credits over several years. They can choose from among these options; one of these three options must be chosen.

During the new, difficult phase, we will make inroads and continue to struggle; we are right. That is a very important point, because the proposal that we are presenting to the international financial community is economically and morally right. We will hold the first meeting with the Bank Advisory Committee next Wednesday; that is the first step. We will present Mexico's specific proposals or this series of options and begin negotiations with each bank....

[Guzman, interrupting] Do we have great advantages?

[Aspe] Our greatest advantages are the Mexican people and our accomplishments. They are the most important, because cooperation is essential in this endeavor. Therefore, our past accomplishments are the most important. Second comes the clear and firm leadership and general foresight of the president, who announced these four points in December. I am talking about this now, but in December these specific points were not a matter for discussion in multilateral administrative councils and at industrialized countries' organizations, but they are now.

We must now deal with banks, but we will be supported by an agreement reached with the IMF. It is an agreement which acknowledges that the Mexican people have made enormous efforts and sacrifices to restructure the Mexican economy; that Mexico is implementing a responsible, serious, and firm policy; and that we have achieved progress toward modernizing the country at different levels and in different areas. The path is clear; we are making inroads in this regard.

The IMF has acknowledged our willingness to reduce net transfers of international resources without acquiring new debts, because we could reduce the debt now only to face the same problem later on. We have also discussed with the IMF the specific resources needed for economic growth. The next step will be to meet with commercial banks; we will be doing so over the next few weeks.

[Guzman] Of the total Mexican foreign debt, what amount of the debt and the service on the debt might be reduced?

[Aspe] Speaking in round figures, Mexico's total foreign debt amounts to approximately $100 billion. Of this $100 billion, $60 billion is what we call the restructured public debt plus the amounts that were deducted in 1983, 1984, and 1986. This is the restructured public debt with the commercial banks. It is not exactly the overall amount of the debt and the service on the debt that will be reduced, nor does it include the granting of additional resources through a [words indistinct]; in other words, it amounts to 60 percent of the total.

I would now like to go over the other amounts and to explain how we arrived at the figure $100 billion. As we said, $60 billion is the amount of our indebtedness to commercial banks. There is also the $10 billion owed to the World Bank and the Inter-American Development Bank. In addition, $10 billion are owed to the Paris Club. There are $10 billion in bank acceptance and interbank lines, in addition to $5 billion—in round figures—with the IMF, and $5 billion, almost $6 billion, in the private sector's foreign debt.

If we add all that up, that gives us, of the $100 billion, $60 billion for the restructured public debt, in addition to these $10 billion, another $20 billion, which I just mentioned, plus the $5 billion and plus the other $5 billion, as I said before. That amounts to $100 billion of the total foreign debt. The overall amount that will be subject to this negotiation next weekend will be $60 billion.

[Guzman] While you were reading the letter of intent with the IMF, we found similarities with policies implemented in Mexico over the past 2 months. Does this document contain new elements or is it a duplication of the policy that is in effect?

[Aspe] You are basically correct. In this document, the IMF is endorsing the policies and specific measures of the Carlos Salinas de Gortari administration, such as the revenue and budget initiatives presented to the Congress and approved. Therefore, the document endorses our revenue and fiscal policies and the Economic Solidarity Pact. That is very important, and I would like to emphasize that. The document is the result of a joint effort, of discussion and analysis among the various segments of society and the government.

[Guzman] We can therefore predict that within the next few days there will be no changes in economic policy? Therefore, following the signed agreement with the IMF, we should not have a situation similar to what is happening in other countries, such as price hikes and unrest? This will not be the case following this agreement?

[Aspe] No, that will not happen here. The Mexican Government and people have made the necessary adjustments, and the IMF broadly recognizes the achievements of the Mexican people and government. Therefore, the IMF endorses the current policy presented by Carlos Salinas de Gortari to the nation, approved by the Congress, and that is in accord with the Pact.

[Guzman] Is there any possibility that there will be a recession as a result of the agreements?

[Aspe] There will not be a recession. There are commitments to uphold this sovereign policy that the Mexican Government is carrying out and discussing with the IMF. We are committed to complying with these pledges. We also are committed to complying with the revenue laws, and we will wait and see what instruments the Chambers of Deputies and Senators will approve to allow us to fulfill our commitments.

[Guzman] Therefore, the Mexican sovereignty is guaranteed no matter what situation may arise as a result of this?
[Aspe] Of course.

Consumer Inflation Growth Drops in March

PA1204040689 Mexico City THE NEWS in English 8 Apr 89 p 1

[Report by THE NEWS staff]

[Text] Growth in consumer inflation in Mexico continued to fall during March with the Consumer Price Index (CPI) registering an increase of 1.1 percent, Banco de Mexico reported Friday.

The rate continues a downward trend for the year, following the 2.4 percent registered in January and 1.4 percent in February.

The annual inflation rate for the March 1988-March 1989 period fell to 21.1 percent, down from 51.7 percent for 1988. The annual rate has dropped consistently every month since February 1988, when it hit the all-time high of 179.7 percent, Bank of Mexico figures show.

Services continued to lead the rise in consumer prices.

The producer price index registered a 1.2 percent increase.

El Salvador

Cristiani Reports on Trip to U.S., Aid

PA1304040589 San Salvador Canal Doce Television in Spanish 0305 GMT 13 Apr 89

[Unattributed report on news conference with President-elect Alfredo Cristiani and unidentified reporters at Comalapa Airport on 12 April]

[Text] After a 6-day visit to Washington to meet with President George Bush, Vice President Dan Quayle, senators, congressmen, and other U.S. officials, President-elect Alfredo Cristiani arrived at Comalapa International Airport this afternoon. During a news conference, he said that military and economic aid will continue to be granted to El Salvador. Cristiani also said that all his meetings were positive, and he denied reports that some U.S. legislators are exerting pressure so Major Roberto D'Aubuisson will not participate in his administration.

[Begin recording] [Cristiani] That is totally false. There has been no such pressure.

[Reporter] Didn't some congressmen ask that Maj D'Aubuisson remain outside the government?

[Cristiani] I do not know to whom such a request was made. I did not receive it.

[Reporter] In your meeting with the U.S. President and vice president, did you discuss any formula or mechanism so the FMLN [Farabundo Marti National Liberation Front] will join the country's political life?

[Cristiani] We did not discuss any of that with the U.S. Administration or Congress. I think the peace process in El Salvador concerns Salvadorans. We only stated that we are willing to hold a dialogue with the FMLN to seek their incorporation into the democratic process. However, we did not discuss any mechanism to achieve that incorporation.

[Reporter] What aspects of the human rights situation did you discuss?

[Cristiani] None. As you know, U.S. aid has always been conditioned on the consolidation of our democratic process and on respect for human rights. We said we are willing to continue consolidating democracy and to continue efforts to avoid the abuses that lead to human rights violations. We said they should view the Salvadoran situation realistically, understanding that there is a war and that war generates violence and that, therefore, El Salvador cannot be viewed the same as a country that is at peace. Instead, special circumstances must be taken into account.

[Reporter] What was the greatest achievement of the meeting?

[Cristiani] I think we created confidence and erased all the disinformation that had existed about our party and representatives. Many people in the United States are influenced by erroneous reports, many of which I think are intentional. I think these visits help people base their opinions on facts. [end recording]

Referring to a possible meeting with the FMLN in the near future, Cristiani said this will depend on the FMLN's position.

[Begin Cristiani recording] We have clearly said that we are willing to meet at any time as long as the meeting includes the continuation of the three basic points that resulted from the meeting in Mexico. [end recording]

Cristiani and his delegation were welcomed by a large number of supporters who had been waiting for them at Comalapa Airport.

Ochoa Says Army Capable of Defeating FMLN

PA1204195289 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Apr 89

[Report on interview with Nationalist Republican Alliance Deputy Colonel Sigifredo Ochoa Perez by Mauricio Funes in San Salvador; date not given]

[Text] [Funes] Colonel Sigifredo Ochoa Perez has denounced a plan to destabilize the next government to be headed by Alfredo Cristiani. He said that in the past few days, organizations with ties to the UNTS [National Unity of Salvadoran Workers] have targeted private property, have destroyed state vehicles, and have resorted to old methods such as occupying Catholic churches to incite street disturbances.

The ARENA [Nationalist Republican Alliance] leader said that the next administration will avoid the excessive tolerance displayed by the Christian Democratic Party [PDC], a situation which, according to PDC members themselves, caused their defeat at the past elections:

[Begin Ochoa recording] It is one thing to do what we have been suggesting, that is, to seek an understanding through civilized means; and it is another thing altogether to be excessively tolerant. I believe that the time has come to set things straight. The people want security and [words indistinct]. The people chose a party that has offered very real options. We seek the understanding and support of all state agencies. We believe that the situation must change. [end recording]

[Funes] Ochoa said that the way in which the war is handled must also change. He said that if the Farabundo Marti National Liberation Front [FMLN] insists on maintaining its belligerent posture, despite all attempts at establishing a dialogue, the government would have no other choice but to respond with force.

[Begin Ochoa recording] In the same way that in 1945, Truman decided to drop two bombs on Nagasaki and Hiroshima to end the war, I believe that military means are also available to us to make those people understand that there are other ways to achieve an objective. We do not wish to solve this problem through war or to end the war through military means, but we are not ruling out this possibility, because [words indistinct] role in this nearly 10-year war of aggression against the Salvadoran people. [end recording]

[Funes] To Ochoa, our country's Armed Forces are capable of launching a military offensive to end the war. He added that the FMLN is so weak that it is defeatable in the near future.

Nicaragua

RN's Matamoros on Elections, Opposition

PA1204163789 Managua Radio Corporacion in Spanish 1200 GMT 11 Apr 89

[Interview with Nicaraguan Resistance spokesman Bosco Matamoros by unidentified reporter in Guatemala City; date not given—recorded]

[Text] [Reporter] Dear Nicaraguan listeners. This is an interview with Nicaraguan Resistance [RN] spokesman Bosco Matamoros on the meeting between the rebel group and the 14 Nicaraguan opposition parties in Guatemala City. What can you tell us about the meeting, Mr Matamoros?

[Matamoros] We have just concluded a news conference, in which Gustavo Tablada and I acted as RN spokesmen, to brief the press on the talks we held. [Word indistinct] this meeting is part of the process that began within the framework of Esquipulas and the San Salvador agreements and resulted in the meeting held by the democratic opposition parties and the RN in Caracas, Venezuela. This consultation among the Nicaraguan opposition [word indistinct], the RN, and the democratic political parties is now continuing in Guatemala.

Of course, we regard the so-called proposal on amendments to the Electoral Law presented by the Sandinist National Liberation Front [FSLN] as inappropriate and insufficient because, once again, the Sandinists are making sure that through their election (?maneuvering), they will continue in power. Under these circumstances, a Nicaraguan election process—which would be controlled by the Sandinists—will not lead to national reconstruction, democratization, or peace.

We also told the press that we will release a document reflecting the common views of the Nicaraguan opposition, the political parties, and the RN probably later today, or tomorrow at the very latest. [Words indistinct] will release to the public at the end of the [word indistinct]. In addition, we clearly [word indistinct] that if this process, or consultation mechanism, continues [words indistinct]. It is clear that Nicaragua's problems require a national solution, and we pointedly ask ourselves: How long will the FSLN, how long will Mr Ortega try to avoid recognizing the need for national consultation to find a national solution to Nicaragua's problems?

[Reporter] Mr Matamoros, as a result of the announcement made in Managua about the Electoral Law amendments to supposedly guarantee a free election process in Nicaragua, the international media—the news agencies, among others—have drawn international and particularly European attention to these amendments. Bearing in mind that Ortega is going to tour Europe beginning on 24 April to ask for financing and aid from European governments, how do you regard this, given the fact that free elections demanded by the opposition and the RN are not yet guaranteed?

[Matamoros] There are no conditions guaranteeing a free election process in Nicaragua at this time. We lack a policy that could instill confidence, and, as they have historically done, the Sandinists are continuing their propaganda campaign abroad, ignoring the requests of the Nicaraguan opposition and Nicaraguans.

In other words, Ortega is clearly facing difficulties right now. How can there be free elections when the Sandinists give themselves three of the five seats at the Supreme Electoral Council [CSE]? In other words, it is obvious to us that the FSLN wants to manipulate the vote count, not only at the CSE level, but also at the canton level. The FSLN wants to control the vote count and to set the conditions under which the political parties will function.

The FSLN should understand that Nicaraguan political processes should not fall under the exclusive control of the Sandinist government. Political processes should be in the hands of all Nicaraguans, and we obvioulsy will not solve our country's problems as long as the FSLN refuses to agree that political processes must result from national consultation.

It should not surprise us if Ortega makes thousands of trips to thousands of countries for propaganda purposes. Let me give you this assessment. The way the electoral amendments are being proposed, the so-called FSLN amendments.... [changes thought] They can put forward any FSLN member as president, because the elections will not be competitive. Instead, what we are witnessing are attempts by the FSLN to stay in power (?eternally) through a rigging of the elections. In other words, there is a sort of neo-Somozism within Sandinism; we must recall that the same thing was done during the Somoza dictatorship.

[Reporter] Mr Matamoros, based on the talks between the RN and the 14 political parties, what is planned with regard to these obstructions to a free Nicaraguan election process? What is the RN's and the internal opposition parties' position?

[Matamoros] We are going to launch an international diplomatic initiative. The FSLN should realize, first of all, that the international public is dissatisfied with the FSLN proposals. There are, for example, the Costa Rican Electoral Commission study and the agreement reached in San Salvador. Let us recall that the Salvadoran agreement states that there must be a balanced representation in order to guarantee just and honest elections in Nicaragua. Under the conditions proposed by the FSLN, the election process would be neither just nor honest.

Second, we obviously are going to make efforts at the national and international level [word indistinct] in order to guarantee respect for the democratic opposition proposals submitted to the Sandinist government. Otherwise, it is clear that we will again witness a process that would be just another electoral farce tailored to promote FSLN interests. We Nicaraguans do not believe that this would be the proper vehicle for finding a solution to national problems.

[Reporter] Can you reveal, for the benefit of Nicaraguan listeners, how many political parties are represented at this meeting and how many RN leaders have attended?

[Matamoros] It has been attended by RN leaders Adolfo Calero, Aristides Sanchez, Enrique Bermudez, Wilfredo Montalban, Roberto Ferrey, [name indistinct], and by Messrs Jose Medina, [name indistinct], Carlos Hurtado, and myself. I have been present at these meetings, and so has Roger German [leader of KISAN, Unity of the Nicaraguan Atlantic Coast Indigenous Peoples].

[Reporter] Mr Matamoros, who attended the meeting on behalf of the political parties and the opposition groups, unions, and so on?

[Matamoros] Members of all political parties participated—ranging from the liberal parties, the conservative parties, social democrats, social Christian parties, the Communist Party of Nicaragua, the unions; in other words, the full spectrum of national democratic life was represented. As usual, we Nicaraguans continue to meet to try to solve our problems, to find formulas, and the FSLN continues to act with the arrogance typical of that dictatorship.

[Reporter] Can you tell us what the objectives of the RN and the Nicaraguan opposition parties are?

[Matamoros] Our objective is to represent a democratic alternative to the FSLN, in the sense that, as is known, the FSLN has created this national economic, social, and political crisis. It is clear that the FSLN does not represent a solution to national problems. We represent that formula; we represent that solution, and it is the key to ending the problems in Nicaragua. Nicaragua's problems will not be solved by Ortega's measures that address minority concerns and that only satisfy the minority supporting the FSLN. It is very clear that we are all united. All democratic Nicaraguans want to find a definitive, permanent solution to the nation's problems.

Cordoba Devalued; Fuel Prices Increase

PA1304023089 Panama City ACAN in Spanish 0126 GMT 13 Apr 89

[Text] Managua, 12 Apr (ACAN-EFE)—For the second time this month, the Sandinist government today devalued Nicaragua's currency, the cordoba, by 3.1 percent with respect to the U.S. dollar. The government took this measure to try to stimulate agricultural exports.

Meanwhile, official sources cited by Managua radio stations reported that Sandinist authorities increased fuel prices and urban and interurban bus fares by 5.1 percent.

The price of 1 U.S. dollar went from 6,300 to 6,500 cordobas. There has been no change on the legal parallel market, for the time being, of the value of the U.S. dollar. The dollar continues to be bought for 6,500 cordobas and sold for 6,630 cordobas.

On the "black" market, 1 U.S. dollar is sold for 7,000 cordobas.

Roberto Gutierrez, Nicaraguan Central Bank vice president, recently emphasized to the media that the devaluations will not stop as long as there is inflation "so as not to sink into a recession."

Gutierrez warned that if the government were to stop devaluing the cordoba, exports would be difficult to market.

Contras To Release Four Prisoners 13 Apr

PA1204202289 Managua Radio Sandino in Spanish 1957 GMT 12 Apr 89

[Report by Pablo Candia from the Government Palace in Managua; live or recorded]

[Text] Four Nicaraguans held prisoner by the counterrevolutionary forces in their camps in Yamales will be released tomorrow at 1100. The names of the Nicaraguans who will be delivered to the Las Manos post tomorrow are: Diego Centeno, Jose Gabriel Lopez, Rosario Lopez Real, and Emma Beverly Velasquez.

Soviet Ambassador Visits Tecnicsa Facilities

PA1204142589 Managua Radio Sandino in Spanish 1200 GMT 11 Apr 89

[Text] After visiting the Tecnicsa facilities yesterday, Soviet Ambassador to Nicaragua Valeriy Nikolayenko said he is very pleased with the way Nicaragua has used the aid given by the Soviet Government and people. Expansion work, with the help of the USSR, is under way at these facilities.

[Begin Nikolayenko recording] The machinery at this factory is being used properly and carefully. We have no complaints, and we feel production quality has improved. There is growing interest in the work being done, and the factory leaders and ministry officials are organizing the work well. [end recording]

Panama

FDP Reports Arrest of U. S. Citizen

PA0704011289 Panama City Circuito RPC Television in Spanish 2350 GMT 6 Apr 89

[Text] The Panama Defense Forces [FDP] Information and Public Relations Office reported tonight that U.S. citizen Frederick Muse was arrested at Omar Torrijos Herrera International Airport last night [5 April] upon his return from Miami, and he was charged with involvement in activities that threaten state security. When Muse's home, 10 16th Street, El Avance, Bethania Heights, was searched, a large quantity of subversive material—such as pamphlets, maps with addresses and notes, firearms, sophisticated photography and film equipment, recordings of clandestine radio and television transmissions carried by outlaw Bosco Vallarino, and Civic Democratic Opposition Alliance propaganda—was found.

The FDP Information and Public Relations Office added that Muse is an agent working for the U.S. Government and the Agency for International Development and had been carrying out his subversive work with the support of the U.S. Embassy and opposition members.

Rotary President on Arrest

PA0704023789 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Apr 89

[Statements by Rotary Club President Milton Henriquez on arrest "last night" of "Rotary Club member" Frederick Muse; place not given—recorded]

[Text] We do not know anything except that he was arrested last night upon his return from a trip. That arrest surprised us a lot, because he is a man who has always behaved very correctly, honestly, and soundly. When this sort of thing happens, we are left with our mouths open.

We hope to find out soon what is going on and hope our authorities admit there was a mistake in this case. We hope Muse is released soon, because there is no basis for his detention; we do not see any reason for it and do not suspect anything at all.

The Human Rights Commission is meeting today to discuss this type of incident. We reported this action to our human rights delegate in Washington who will participate in the meeting. We already reported this incident to him so they will add it to the meeting's agenda.

As Panamanians, we do not enjoy having to report this kind of incident, but our human responsibility comes first, and we have to report it. If we hear from Muse before the meeting takes place—obviously, there are many other meetings before this one—we will report the good news on time.

Meanwhile, the truth is that sometimes there are things we must do even if we dislike doing them.

Clandestine Stations Dismantled

PA0804193989 Panama City ACAN in Spanish 0607 GMT 7 Apr 89

[Text] Panama City, 7 Apr (ACAN-EFE)—Panamanian military intelligence dismantled a network of clandestine radio and television stations located in seven different buildings throughout Panama City and arrested a U.S. citizen who admitted to being in charge of the operation.

In statements to ACAN-EFE made at the military installations where he was taken after his arrest on Wednesday, U.S. citizen Kurt Frederick Muse admitted he is responsible for the operation of this sophisticated communications network. Muse was arrested by the Panama Defense Forces [FDP] at Panama City's airport after arriving from Miami, Florida.

Frederick Muse, who said he had been "treated well" by those who were interrogating him—although he admitted to being "tired"—works as a guard at the U.S. schools in Panama. He also has an identification card, No A-01436, issued by the U.S. Armed Forces.

In his statements to ACAN-EFE, Muse said "the material did not enter Panama through a civilian airport" but refused to comment on where it came from.

According to the information released by Panamanian official sources, the arrested 39-year-old man is "linked" to the U.S. Embassy, the U.S. intelligence services, and the Agency for International Development.

A high-ranking U.S. diplomat consulted early this morning on Muse's arrest and statements refused to comment on the matter until he received more information on the case.

According to the FDP's investigations, the network was made up of seven FM radio stations and three television transmitters capable of jamming local frequencies and broadcasting "subversive" material on Panama City television channels. This network aired several broadcasts.

Colonel Nivaldo Madrinan, director of the National Department of Investigations, DENI, said the equipment seized, valued at more than $250,000, had been brought into Panama through Albrook Air Force Station, located near Panama City.

Madrinan added that Muse had received this equipment from "U.S. psychological operations officers."

According to Madrinan, the aim of this whole operation was to "report an alleged election fraud" on the night of 7 May—the date of the general elections—if the government wins the elections. The network would also provoke disturbances.

Meanwhile, Panamanian Attorney General Carlos Villalaz told ACAN-EFE that Frederick Muse was being paid $3,000 a month. He received that money from "U.S. Army agents stationed at Fort Clayton" (another U.S. base near Panama City).

In his statements, the prisoner gave only the initials of the U.S. military men he dealt with and said that the money he received was deposited in a U.S. bank account.

Sources from the Attorney General's Office said that the investigations "may lead to the arrest of other people," presumably Panamanians linked to the opposition.

The seized communications system consists of very sophisticated recording and transmission equipment and, according to Panamanian military intelligence experts, it could be programmed in the future to make broadcasts without any need for operators and could make broadcasts "under the most adverse conditions."

Col Madrinan said a single person could operate the whole system by inserting a cassette recording with a given program and then "leave for a safe place."

The whole system was connected to alternate current batteries so the digital clocks that kept the program going would not stop if there was one of the frequent power outages in Panama City.

This way, the system could broadcast on a given radio frequency or television channel, interfering with local broadcasts at hours that were announced beforehand to Panamanians in flysheets, some of which were found among the materials that were seized.

When questioned about the delay in detecting the programs, which had been broadcast on several occasions during the last 2 months, Madrinan explained that the equipment was located in tall, glass buildings and that this "made the signal bounce, making it difficult to track it."

In brief statements to ACAN-EFE, Muse admitted that the stations were going to operate within the next few weeks, "if the media had been closed."

Muse acknowledged that he was connected to Bosco Vallarino, Panamanian opposition activist in exile in the United States, who recorded most of the many cassettes that were found with the equipment.

In one of these recordings, to which ACAN-EFE listened, Panamanians were warned that a fraud might be committed during the 7 May elections.

Muse expressed surprise that the U.S. Embassy in Panama had not intervened officially to help him after his arrest.

The operatives who arrested Muse seized an Austrian-made pistol, ammunition clips, a carbine, maps of Panama City and the interior, pamphlets, and opposition political propaganda.

The Rotary Club of Panama sent a letter to Panamanian President Manuel Solis Palma on Thursday "to protest" the arrest of "our colleague Kurt Muse," who is a member of that club.

U.S. Said Involved

PA0804194989 Panama City ACAN in Spanish 1845 GMT 7 Apr 89

[Excerpts] Panama City, 7 Apr (ACAN-EFE)—The Panamanian authorities said today that U.S. military personnel stationed in Panama are involved in a network of clandestine stations which was operated by a U.S. citizen and which has been dismantled by the Panama Defense Forces [FDP].

According to Lieutenant Colonel Nivaldo Madrinan, director of the National Department of Investigations [DENI], the clandestine radio and television network equipment arrived in Panama through the U.S. military bases located on the banks of the canal.

Today, U.S. citizen Frederick Muse, who admitted that he set up the network and that it was intended to intervene in the 7 May Panamanian elections, was presented to the press by the FDP.

A U.S. Embassy spokesman questioned by ACAN-EFE admitted that Muse is a U.S. citizen and the husband of a female employee of the U.S. Defense Department.

As such, the diplomat said, Muse is entitled to protection "in accordance with the treaties signed by the United States and Panama," and he added that the U.S. Embassy is conducting efforts "in cooperation with the Southern Command" to learn the circumstances of the arrest and the charges.

The label shown by Madrinan to the press shows that part or all of the equipment had initially arrived from Washington and that its consignee was the "U.S. Program Development Group," located in Corozal, near Panama City, in a building "belonging to the 470th U.S. military intelligence brigade," according to Madrinan.

"There is no perfect crime," Madrinan said, showing the only label that had not been removed from the boxes.

The DENI director said that the case provides "trustworthy evidence of U.S. involvement in subversive activities against the Republic of Panama."

The Panamanian Government has repeatedly accused the United States of attempting to overthrow President Manuel Solis Palma's regime by forcing FDP Commander in Chief General Manuel Antonio Noriega to resign.

Madrinan added that "the programs intended for broadcast by the clandestine network had been prerecorded at Fort Clayton," another U.S. military base in Panama, described by the officer as the "mousetrap from which the seditious (government adversaries) operate."

While making this statement, the Panamanian soldier did not offer proof of this second accusation, but he did say that he knew that Bosco Vallarino, one of the "announcers" for some of the prerecorded programs, "normally lives on Fort Clayton."

Panamanian Attorney General Carlos Villalaz, also present at the news conference, read statements made by Muse, who said that he was in contact with three other U.S. citizens, whom he identified as "Peggy," "Joe II," and "Jose I," the latter a Puerto Rican who, according to Muse, was responsible for the now dismantled operations. [passage omitted]

In another part of his lengthy statement, Muse admitted establishing a "fax" network to receive material against the Panamanian regime "sent from Miami and Venezuela."

According to the attorney general, Muse had a sophisticated system for intercepting telephone communications, in particular a "scanner" with which he jammed police communications and communications from Carlos Duque, National Liberation Coalition presidential candidate in the upcoming elections.

The attorney general said that in relation to this case, other people—Panamanians linked to the opposition—could be arrested in the next few hours. [passage omitted]

Madrinan, Villalaz on Actions

PA0804195489 Panama City Domestic Service in Spanish 1903 GMT 7 Apr 89

[Report by Daveiva Barsallo on statements by Colonel Nivaldo Madrinan, director of the National Department of Investigations, DENI, and Attorney General Carlos Villalaz; date and place not given]

[Text] [Barsallo] New specific proof of Frederick Muse's guilt and his involvement in activities against state security was given to the local and international press by local investigation authorities. DENI Director Colonel Nivaldo Madrinan and Attorney General Carlos Augusto Villalaz showed reporters sophisticated transmitting equipment worth more than $350,000. This equipment was clandestinely used to jam radio and television programs. The following are Col Nivaldo Madrinan's remarks:

[Begin recording] I want to show you some of the proof found during the search; this is authentic proof and leaves no room for doubt as to the involvement of the U.S. Armed Forces in attempts to disrupt public order in the Republic of Panama.

The boxes in which the equipment had been packed—since there is no such thing as a perfect crime—were found. One of the boxes still had the address label on it. As you can see, all the boxes are the same size and the address labels have been removed; however, this box still has a label on it, and the box was sent to the transportation offices of a U.S. Army military intelligence group. I am speaking of the 470th Military Intelligence Brigade stationed in Building No 20, Corozal, Republic of Panama.

As the bill of lading shows, the equipment was sent from Washington. Frederick Muse's statements implicated U.S. personnel in the operations to jam police and local commercial radio communications with the use of sophisticated equipment programmed with material prerecorded at Fort Clayton. Fort Clayton is the mousetrap where Bosco Vallarino and other seditious members of the Panamanian opposition are staying. They are being protected by the military forces stationed at that fort.

Those programs were passed on to Frederick Muse—another agent working for some of those agencies that are used to destabilize the Panamanian Government—at Albrook Air Force Station.

On this occasion, seven FM stations with sophisticated equipment were seized by the security forces. In the past, this equipment had been used to jam transmissions of legally established radio stations and three television channels. Their program was transmitted on Channel 7 and it jammed Channel 2 [Televisora Nacional] and Channel 13 [Telemetro Television]. They were also transmitting on Channel 5 [formerly Panavision Television]. [end recording]

[Barsallo] To broaden the report, Attorney General Carlos Villalaz reported Muse's statements on the operations carried out in Panama:

[Begin Villalaz recording] Among the issues stressed during the inquiry, Mr Muse pointed out, quote, a few days ago the organization's radio and television broadcasts were suspended because they—and by they I mean Mr Frank and Ms Peggy or Jose II and Jose I, both Americans, named here by their first names or nicknames—believed that Channel 4's [Circuito RPC Television] routine newscast carried a 10-minute segment on the Civic Opposition Democratic Alliance, ADOC, which complemented our work; so we decided to temporarily suspend our radio broadcasts promoting the May elections, unquote.

One of these technicians is a Puerto Rican, and he is—according to Mr Muse—the head of the organization. He is currently in Miami, where he was scheduled to meet with the entire team on 2 April. Muse added that there was a fax network involving disinformation reports sent from Miami and Venezuela, and he provided a list of the places that would receive the reports aimed at promoting disorder at the May elections.

I must also stress that, according to Mr Muse, he was paid $3,000 a month for his work, which consisted of broadcasting the clandestine radio network called The Voice of Liberty. This included Bosco Vallarino's radio broadcast and other opposition broadcasts of a political nature, also aimed at disrupting Panamanian public order. [end recording]

[Barsallo] The reporters also listened to a recording of the programs broadcast on the clandestine radio station, followed by the presentation of the detained American to deny reports that he had been mistreated.

Futher on Operations

PA0804155889 Panama City Televisora Nacional in Spanish 2319 GMT 7 Apr 89

[Report on news conference given by Attorney General Carlos Villalaz; Nivaldo Madrinan, National Department of Investigations Director; and Assistant Prosecutor Mario Ballesteros with local and foreign reporters in Panama City on 7 April—recorded]

[Text] The Panamanian Attorney General's Office and the National Department of Investigations, DENI, today provided further details on the operation involving the confiscation of radio and television equipment that was carried out yesterday. The confiscated equipment is valued at approximately 400,000 balboas. The equipment was used to illegally jam legally established radio and television frequencies and to transmit illegal broadcasts. The Panamanian authorities also provided further details on the arrest of U.S. citizen Kurt Frederick Muse, who conducted these illegal broadcasts.

Panamanian Attorney General Carlos Villalaz held a news conference today in which he provided further details on the location and discovery of six radio and three television stations that operated clandestinely in Panama. The authorities also provided details on the arrest of U.S. citizen Kurt Frederick Muse.

In the news conference, Attorney General Villalaz was accompanied by DENI Director Lieutenant Colonel Nivaldo Madrinan and Assistant Prosecutor Mario Ballesteros.

We will now provide you with detailed information on the operation that culminated in the confiscation of the transmitting equipment and equipment used to tap telephones and to jam radio and television frequencies. The information was released by Attorney General Villalaz and DENI Director Madrinan to the local and foreign press today.

[Begin recording] [Villalaz] Information obtained by the Panama Defense Forces [FDP] Intelligence Service provides proof of the existence of a link between this gentleman [Kurt Frederick Muse] and a group of U.S. and Panamanian citizens linked to the clandestine radio and television broadcasts.

Yesterday, Kurt Frederick Muse made statements in response to our questions. He explained in detail his criminal participation in the aforementioned activity. He provided us with details on his part in this activity. He was operating three clandestine television channels and six radio stations. To transmit his programs, he jammed other radio and television transmissions.

We confirmed—Muse himself made this confession—that these portable, clandestine radio and television transmitters were located in the following buildings: Apartment 10-D, Cibeles Building, Villa de las Fuentes neighborhood; Apartment 7-C, Metropoli Building, behind El Carmen Church; Apartment 11-A, Asturia Building, a corner of Via Argentina; Apartment 8-C, Cruz del Sur Building, Marbella neigborhood; Apartment 14-A, Plaza Paitilla Building, Punta Paitilla neighborhood; Apartment 6-A, Versalles Building, behind the Comptroller's General Office; Apartment 11-B, Solimar Building, in Marbella neighborhood; Apartment 15-C, Posada del Rey Building, Punta Paitilla neighborhood, across from the Holiday Inn Hotel in Punta Paitilla.

In addition to clandestine radio and television transmitters, it was determined that the detained man possessed the following radio communication equipment: A scanner, which is used to program the interception of radio and radiotelephone frequencies. We have found—and here is a technician who could give more details if necessary—that the scanner was programmed to intercept the radiotelephone frequency used by Colina [National Liberation Coalition] presidential candidate Carlos Duque Jaen. The scanner had also been programmed to intercept police, traffic, and National Investigations Department radio frequencies.

This other piece of equipment is a Motorola radio communications set. On its back, there is a key to establish communications with apartments in each of the buildings I have mentioned. Through transmitters like this in these buildings, they communicated with the other people who participated in this illegal operation using radio and television stations according to the schedule they had established. Each of these transmitters would operate from 3 to 5 minutes to escape detection. The equipment you can see here was found in empty apartments in each of the buildings I have mentioned, in which transmitters and antennae for each radio and television station had been properly installed.

As he [Muse] explained during his questioning, the objective is to call on Panamanians to vote and, on the day of the elections or on the day following the elections, when the pertinent announcement would be made, fraud would be reported, according to the recorded cassettes we have here. A call for civil disobedience was made through these radio and television stations so the people could participate in the acts of violence that they had already planned for the night of the election, the day after the election, or when the winner of the election was proclaimed, provided he was not of the opposition.

In the cassettes that you will listen to now, you will hear the call to participate in the elections and vote for the opposition.

Consequently, as a clandestine station, they could perfectly well issue a call to disrupt public order and take part in civil disobedience to create chaos in Panama City. Who is to say that we will not find similar equipment in other cities and places in the country?

Lt Col Madrinan Aponte will emphasize another very delicate matter regarding the origin of the equipment and how it was brought to Panama.

[Madrinan] I want to show you some of the proof found during the search. This is real proof and leaves no room for doubt as to the involvement of the U.S. Armed Forces in attempts to disrupt public order in the Republic of Panama.

The boxes in which the equipment had been packed—since there is no such thing as a perfect crime—were found. One of the boxes still had the address label on it. As you can see, all the boxes are the same size and the address labels have been removed; however, this box still has a label on it, and the box was sent to the transportation offices of a U.S. Army Military Intelligence Group. I am speaking of the 470th Military Intelligence Brigade stationed in Building No 20, Corozal, Republic of Panama.

As the bill of lading shows, the equipment was sent from Washington. Frederick Muse's statements implicated U.S. personnel in the operations to jam police and local commercial radio communications with the use of sophisticated equipment programmed with material prerecorded at Fort Clayton. Fort Clayton is the mousetrap where Bosco Vallarino and other seditious members of the Panamanian opposition are staying. They are being protected by the military forces stationed at that fort.

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Attorney General Villalaz then disclosed the information supplied by Muse during the questioning.

[Begin Villalaz recording] Mr Muse pointed out, quote: A few days ago, the organization's radio and television broadcasts were suspended because they—and by they, I mean Mr Frank and Ms Peggy or Jose II and Jose I, both Americans, referred to here by their first names or nicknames—believed that Channel 4's [Circuito RPC Television] routine newscast carried a 10-minute segment on the Civic Democratic Opposition Alliance, ADOC, which complemented our work; so we decided to temporarily suspend our radio broadcasts promoting the May elections, unquote.

One of these technicians is a Puerto Rican, and he is—according to Mr Muse—the head of the organization. He is currently in Miami, where he was scheduled to meet with the entire team on 2 April. Muse added that there was a fax network involving disinformation reports sent from Miami and Venezuela, and he provided a list of the places that would receive the reports, which were aimed at promoting disorder during the May elections.

I must also stress that, according to Mr Muse, he was paid $3,000 a month for his work, which consisted of running the clandestine radio network called The Voice of Liberty. This included Bosco Vallarino's radio broadcast and other opposition broadcasts of a political nature, which were also aimed at disrupting Panamanian public order.

We have here, for you to listen to, some of these recordings:

[Begin recording] [Bosco Vallarino] Wait for our next transmission, anywhere on your radio dial. We say goodbye to you, patriotic friends:

[Belinda Vallarino] Defying the tyranny, Belinda Vallarino.

[Bosco Vallarino] And this servant of the fatherland, Bosco Ricardo Vallarino, exercising for you the right of freedom of speech. [end recording]

Immediately after, Attorney General Villalaz presented U.S. citizen Kurt Frederick Muse to the local and foreign reporters.

[Begin recording] [Villalaz] We want you to tell the local and foreign reporters whether you have been physically tortured by us on any occasion during the interrogation.

[Muse] Never.

[Villalaz] Thank you. That is the question we wanted you to answer. [end recording]

Our news director, Julio Ortega, interviewed the detainee, Kurt Frederick Muse, who talked about the use and purpose of the confiscated equipment.

[Begin recording] [Muse] It was used to encourage people to vote.

[Ortega] Were you going to use these transmissions to encourage people to vote on election day?

[Muse] No, we were going to encourage people to vote several days before election day, but it was decided not to use the equipment because there was too much [word indistinct].

[Ortega] It was said that some radio and television stations were being jammed and that Bosco Vallarino's voice was heard on some television frequencies. Was this equipment used for that?

[Muse] Yes, sir. All that, however, had been suspended.

[Ortega] It had been suspended, but you had been doing that? What did you plan to do with the equipment?

[Muse] Right now, nothing.

[Ortega] It was stored away and that was all?

[Muse] Yes.

[Ortega] Do you work or live here in Panama?

[Muse] I have lived in Panama since I was 5, I mean 6 years old.

[Ortega] What do you do for a living?

[Muse] I used to work for a family business, but I no longer work there.

[Ortega] What do you do now?

[Muse] I am a school inspector now.

[Ortega] Oh, I see, a school inspector here in Panama City?

[Muse] Yes.

[Ortega] Do you work for the private sector?

[Muse] I worked in the Canal Zone.

[Ortega] In the Canal Zone. What do you think now that all this has been uncovered?

[Muse] I feel bad.

[Ortega] Of course. But what do you think?

[Muse] I feel very bad. [end recording]

There are reportedly arrest orders against others people linked to this subversive plan, although their names have not been released to avoid hindering the investigations.

Muse 'Conspirators' Sought

PA1104163689 Panama City CRITICA in Spanish 10 Apr 89 pp 1, 14

[Unattributed article: "When the Opposition's Fraud Was Discovered, Lawyers and Rotary Club Members Flee"]

[Text] Panamanian state security agencies are on the trail of lawyers and Rotary Club members linked to the case of U.S. citizen Kurt Frederick Muse, who was arrested by Panamanian authorities at Omar Torrijos International Airport on 7 April.

As one may recall, Muse confessed to working for the U.S. State Department in a plan to create chaos and to destabilize the country during the 7 May elections.

Electronic and radio equipment, including modern transmitters, were confiscated from Muse. The equipment was to be installed in several Panama City buildings to jam radio and television signals and to facilitate clandestinely broadcast appeals for civil disobedience.

When his conspirators against state security learned of Muse's arrest, they rushed to seek refuge in different parts of the city. Some even tried to leave the country in attempts to elude the powerful dragnet to catch them.

Lawyers and Rotary Club members deeply implicated in this case are still in hiding, but state security agencies are following strong leads as to their whereabouts.

U.S. Visas Suspended

PA1204233689 Panama City ACAN in Spanish 2246 GMT 12 Apr 89

[Text] Panama City, 12 Apr (ACAN-EFE)—The U.S. Embassy ir Panama announced today that it will no longer grant visas to Panamanians until U.S. diplomats are allowed to see and counsel fellow American Frederick Muse, who was arrested last week on charges of operating a clandestine radio and television network.

U.S. Consul General Gary Usrey made the announcement after meeting this afternoon with Lieutenant Colonel Nivaldo Madrinan, director of the National Department of Investigation (DENI), and Panama's Attorney General Carlos Villalaz.

Upon leaving the meeting, which was also attended by ranking U.S. Army officers, Usrey said that reporters and military attaches from other countries accredited in Panama have been allowed to interview Muse over the past few days while American officials have been denied access to him.

According to the U.S. Embassy, Southern Command officers and U.S. diplomats visited Muse on Friday, but they have not been allowed to visit him since.

Usrey complained to the press that Muse is being subjected to lengthy questionings without adequate counsel, which violates the treaties between Panama and the United States as well as international agreements.

Lt Col Madrinan later told ACAN-EFE that the U.S. charges "are completely false," because several American officials were allowed to see Muse after his arrest.

Madrinan added that "at no time" have the Americans' requests been denied when they have been made through the liaison office that negotiates between the two countries' armies, and which is also in charge of canal defense coordination and everything related to the 1977 Torrijos-Carter treaties.

The DENI director also said, when asked about Usrey's visit, that as far as he knows "there is no U.S. consul general in Panama."

Madrinan explained that Washington does not recognize the current Panamanian Government and that as a result, some U.S. diplomats have not registered as such at the Foreign Ministry.

Madrinan also said that "Muse has not wanted to use a lawyer because he is waiting for the efforts being made by his father and relatives."

The lieutenant colonel said that Muse, who is accused of threatening state security, "does not even have the right to be turned over to the custody [of U.S. officials]" as provided by the 1977 canal treaties.

In an initial communique on the incident on Friday, the Southern Command admitted that Muse had not been mistreated. It added that "according to the treaty, and because of the nature of the charges against him, Panama is not obliged to turn him over to U.S. officials."

Muse was arrested on Wednesday after the dismantling of a network of six radio and three television stations which, according to the Panamanian authorities, was intended to interfere with the 7 May elections.

General Manuel Antonio Noriega, comander of the Panama Defense Forces, said yesterday that the clandestine network was part of "an imperialist plan for psychological warfare."

Panamanian President Manuel Solis Palma said that Panama will not lodge a protest with the United States over this case but that it will do so at the United Nations and other international organizations because the Washington government "is part of the conspiracy."

According to the U.S. Southern Command, which has more than 11,000 troops stationed on the banks of the canal, Muse is a "Defense Department dependent" because his wife works at a U.S. military installation.

At the time of his arrest, Muse carried a U.S. Army identification card.

Lt Col Madrinan today reiterated that the DENI is continuing to look for several U.S. and Panamanian citizens involved with Muse in the clandestine network.

Attorney General Communiqué

PA1304022389 Panama City Televisora Nacional in Spanish 0019 GMT 13 Apr 89

[Unattributed report on a communique released by Attorney General Carlos Augusto Villalaz; date and place not given]

[Text] Regarding the U.S. consul general's statements about Kurt Frederick Muse, Panamanian Attorney General Carlos Augusto Villalaz has released a communique that states that he received Colonel Perry, cochairman of the Joint Committee, at his office this afternoon. Perry was accompanied by an official who said he was the U.S. consul general in Panama. The reason for the visit was that the U.S. officials wanted to inquire into the situation regarding Muse, a U.S. spy who was captured by state security last week when a clandestine radio and television network was broken up. U.S. agents were using this network to interfere with Panama's election process.

With the characteristic arrogance of aggressors and lying shamelessly, the communique says, the Americans said Muse was not allowed visitors or to hire a lawyer, all of which is false because Col Perry himself has visited Muse and confirmed that he is in good health. In addition, Muse has so far refused to name a lawyer.

When Villalaz demanded respect for Panama's sovereignty and adherence to diplomatic procedures, the U.S. citizen who presented himself as the U.S. consul general, who was visibly angry, said U.S. Ambassador Arthur Davis had told him President George Bush received a daily report on the case and that he, Bush, was very much interested in it. The consul added that if this situation continued, Ambassador Davis would immediately order the suspension of consular services, meaning visas, for Panamanian citizens wanting to travel to the United States. The detention of the U.S. spy Muse has resulted in unexpected actions by U.S. diplomats, such as visiting the highest official of a Panamanian government office. It is well known that Ambassador Davis and the U.S. diplomatic mission do not recognize the government

of Manuel Solis Palma. The alleged consul general's threats against Villalaz led the latter to put an end to the meeting and clearly state that it is the United States that daily violates the Torrijos-Carter treaties, tramples upon international law, and ignores diplomatic procedures.

Attorney General Villalaz and his assistants have evidence pointing to the U.S. Government's direct participation in the clandestine infiltration into Panamanian politics, which is an attack on the state's security. In response to this, the only thing the U.S. authorities have done is to make a ridiculous threat to suspend visas for Panamanians.

Despite the tense climate of the meeting, the respectful stance of Col Perry and the other U.S. officers who accompanied him contrasted sharply with the threatening arrogance of Ambassador Davis' representative. In addition, after the U.S. military authorities announced the suspension of U.S. visas, they filed a formal request at the Joint Committee so U.S. military authorities can visit Muse at 1900 tonight.

According to the request filed by Special Forces Major (George Perrys), coordinator of the Administrative and Legal Services Subcommittee of the Joint Committee, this request is in accordance with Article VI of the Agreement in Implementation of Article IV of the Panama Canal Treaty. This shows the U.S. civilian and military authorities' attempt to (?sidestep) the Attorney General's Office and the Panama Defense Forces.

Commentary on Muse Case, U.S. Relations
PA1104211789 Panama City Domestic Service in Spanish 1200 GMT 11 Apr 89

["Political Topics" commentary read by Jorge Montalban]

[Text] Dear radio listeners, we will exchange opinions with you again on our commentary program dealing with all the events that affect our nation. The first news report on which we would like to comment is the one that appears on the front-page of MATUTINO, which reveals that Senator Christopher Dodd threatened businessmen at the U.S. Senate. According to Mr Dodd's argument, it is necessary to understand that the actions taken by the U.S. Government against Panama are intended to send a message, not only to the Panamanian Government, but to businessmen as well. What the U.S. Government seeks with its economic sanctions is to get both the Panamanian Government and businessmen to comply with U.S. objectives. We note that Senator Christopher Dodd is a very important Democratic senator. The U.S. Government's policy is based on economic pressure to force our countries to accept the U.S. military, diplomatic plans.

Last week, for instance, Costa Rican media and some members of the Costa Rican Chamber of Deputies charged that Costa Rican President Oscar Arias had given disproportionate praise for the U.S. Government's so-called humanitarian aid to the contras and linked his praise to the fact that the U.S. Government, as part of a commitment made to Costa Rica, gave Mr Oscar Arias' administration $1.5 million in immediate assistance and reduced the Costa Rican foreign debt. The United States has made the misery and needs of our peoples another weapon to use for its advantage. If we act according to U.S. interests, a reduction in the foreign debt or the promise to reduce the debt is exchanged for a donation of millions of dollars. We denounce this maneuver used with Costa Rican President Arias.

This case is similar to that of Venezuelan President Carlos Andres Perez, who, because of a promise that his foreign debt would be reduced and that he would receive immediate U.S. aid, has dedicated himself to trying to meddle in Panamanian domestic affairs and has allowed the opposition to use his country, Venezuela, to set up an international electronic network to discredit the Panamanian elections. This is how it works. With the support of the U.S. Government and the International Christian Democracy, many Latin American countries are holding so-called forums on Panama's democracy. Of course, only opposition members and Latin Americans with ultrarightist party affiliations are invited to these forums.

Forums have already been held in Venezuela, Colombia, and one was just held in Guatemala. There will be other ones in Uruguay, Argentina, Brazil, Puerto Rico, and at Georgetown University in Washington. All of this is to make the international public believe that Panama is in total chaos, that Panama is no man's land, that one must expect the worst of these elections, that the elections will be violent and fraudulent.

The U.S. Government, and specifically the U.S. Department of Defense, has just prepared a film documentary entitled Panamanian Terrorism. Ricardo Lince in his "Let the People Judge" column in today's MATUTINO denounces this. This completely biased documentary portrays our country as generally violent. It shows a U.S. Army soldier lying in a Gorgas Hospital bed, as if he had been attacked in our country for political reasons. This soldier, in fact, was attacked by undesirables, by transvestites, while he was trying to strike a deal with one of them. This soldier was turned over to U.S. authorities, and he was made to appear in this documentary entitled Panamanian Terrorism.

The economic blackmail against Latin American governments and the psychological pressure exerted at the international level through these forums financed by the International Christian Democracy and the U.S. Government are linked with the clandestine media network discovered in our country.

International news agencies, especially ACAN-EFE, have pointed out the strange fact that the Panamanian Government and the Panama Defense Forces [FDP] have accused

the U.S. Army of directing Kurt Frederick Muse to organize the network of clandestine radio and television stations, but neither the U.S. Embassy nor the U.S. Southern Command have denied or answered the charges.

Therefore, international news agencies are aware that there is a real basis for the charges presented by the Panamanian Government. This clandestine radio network, which also had relay stations in Panama's interior, included a directory of people owning facsimile machines, so as to coordinate in Panama the calls for violence on 7 or 8 May under the pretext of election fraud. The scheme was well planned. The United States, along with the Panamanian opposition and Mr Arias Calderon, have been predicting fraud since the beginning of the election campaign. The United States, through its officials Mr Bush and Secretary of State Baker, has been saying all along that there would be fraudulent elections in Panama. Later, with this clandestine radio network, they were planning to spread the news throughout the entire country and to call for violence.

This is a well-known plan; it had already been implemented in the Philippines, where the United States went even further. In the Philippines, they even prepared vote count certificates in advance. They created a national computer network, apparently to count the votes cast by the Filipinos in the elections where Corazon Aquino defeated President Ferdinand Marcos. In the Philippines, they organized another electoral tribunal to operate in tandem with the official Electoral Tribunal.

I am not saying that Corazon Aquino would not have been able to defeat President Ferdinand Marcos; I am saying that the method used in the Philippines under the direct supervision of [U.S. Embassy in Panama DCM] John Maisto has been repeated in Panama. John Maisto was brought from the Philippines to Panama, along with Mr Miller [former U.S. Embassy Economic Counselor David Miller], who is an expert in economic destabilization in underdeveloped countries, to pave the way for a new coup d'etat attempt. The opposition is willing to accept anything as long as it regains power.

Regarding this topic, I would like to draw your attention to the Episcopal Conference communique. I think that it is time that the Panamanian bishops call things by their true names. I think that it is time for them to stop beating around the bush and to stop making vague recommendations that tend to favor a single group. The Panamanian Episcopal Conference calls on the government and the Armed Forces and informs the Panamanian people that the government and the Armed Forces should be impartial in the elections. It asks all political parties to turn the elections into a civic event. It regrets the U.S. Government's general intervention in Panamanian domestic affairs through the economic sanctions that were implemented. It calls on the U.S. Government to stop meddling in Panamanian domestic affairs, but it beats around the bush.

The Panamanian Episcopal Conference does not talk about the opposition's international campaign to make the entire world believe that in Panama there will be a fraud if they do not win the 7 May elections. The Panamanian Episcopal Conference should say that the opposition calls for violence; it should say that the U.S. Government is carrying out actions with the Panamanian opposition; and it should say that the U.S. Government has created a network of clandestine radio stations in Panama to call for violence on 7 May if power is not turned over to the opposition parties. The Episcopal Conference should issue specific statements along the line of statements it has issued against the government and the FDP. If they did this, they would really be giving the church-going public the proper orientation. Things should be called by their true names.

The Episcopal Conference would hardly be doing democracy, freedom, and the country a favor by not being specific. It has called on the government and the FDP to be specific in the past.

It is one thing to issue a general call to political parties, including opposition parties, [Hildebrando] Nicosia's party, and the National Liberation Coalition [COLINA], and another thing altogether to make specific calls to the opposition because it has discredited the country with the so-called Panamanian democracy forums carried out in Latin America with the support of the International Christian Democracy and the U.S. State Department. That is how one benefits the fatherland and how one ensures impartiality at the elections.

The Panamanian Episcopal Conference is, as always, furtively siding with the opposition and is also organizing vigils in churches on the night of 7 May. You heard it. The bishops are calling for the faithful to gather at churches. If someone has any doubts that many churches have turned into opposition political meeting places, he should go to Cristo Rey Church on Sundays at 1000. And so instead of truly striving for peace, Panamanian bishops are furtively—I would add, hypocritically—calling for violence. They are hypocritically supporting the opposition. It is intolerable that the faith of Panamanian churchgoers should be used for partisian political activities.

That happens because we have a double standard in Panama. It turns out that Mr Carlos Eleta Alamaran, who was arrested in the United States, is entitled to the benefit of the doubt. Many Panamanians think nothing has been proven about Mr Carlos Eleta Almaran. Many Panamanians feel Noriega is a sort of god. For instance, according to a dispatch datelined in the United States, Mr Juan B. Sosa, living in New York off the Panamanian people's money, went so far as to say that Mr Carlos Eleta was entrapped. There were rumors in Panama that Noriega somehow arranged Mr Carlos Eleta Almaran's arrest. Logic has no meaning for some Panamanians. All arguments are valid to excuse the criminal actions of the opposition and the behavior of government officials. [sentence as heard]

The fact is that Mr Carlos Eleta Almaran fell into a trap, but the U.S. Drug Enforcement Administration, DEA, set that trap. He, together with undercover DEA agents, was trying to set up a network to send cocaine to the United States and another network in Panama to hide the funds stemming from that trade. That second network even involved companies such as Harinas Panama, Inc. By the way, Mr Guillermo Endara Galimany [opposition presidential candidate] is the secretary of that company's board of directors. In Panama, the oligarchs share their businesses. Mr Eleta Almara, according to a dispatch datelined from the United States, planned to use Harinas Panana, Inc—the General Mills Company—to launder money from drug trafficking.

As I said, the secretary of that company's board of directors is the COLINA [National Liberation Coalition] presidential candidate [as heard]. According to some opposition members, Noriega has arranged everything. Everything was done as if Noriega were a god, so omnipotent, ubiquitous, and superintelligent as to be able to get the DEA's help in arresting Mr Carlos Eleta Almaran. Carlos Eleta Almaran's friends are holding a mass today at Santuario Nacional Church to pray for his health. I am glad this Christian act is being done for Mr Eleta Almaran's health. However, I would like the same logic that is applied to Mr Eleta Almaran to be applied to all Panamanians that the U.S. Government has accused of drug trafficking.

We have a double standard here. When the charges against Noriega for drug trafficking came out, based on the testimony of convicts in U.S. jails who were promised a reduction of their sentences if they testified against him, nobody in the opposition ranks accepted the possibility that this could be U.S. political blackmail. Now that the case involves a prominent member of the oligarchy, everybody in the opposition is ready to defend Mr Carlos Eleta Almaran's good name and reputation. The oligarchs close ranks when they see one of their own threatened; unlike, unfortunately, the middle class. The middle class attacks its own. The oligarchs close ranks when they see one of their own in danger. Because Guillermo Endara Galimany, the ADOC [Civic Democratic Opposition Alliance] candidate, is a member—along with Carlos Eleta Almaran, who is accused of drug trafficking—of Harinas Panama Inc's board of directors, they close ranks and pray for Mr Eleta Almaran's release and for his physical and mental well-being.

On the other hand, members of the middle class are destroying each other. Too many social climbers want to join the oligarchy; they want to sneak into the oligarchy through the backdoor. That is why you see so many professionals and small businessmen willing to gouge out the eyes, trample the good name, and destroy the members of their own social class to win over the oligarchy, which has reaped profits from the country for a long time.

Mr Carlos Eleta is not unknown in Panama. He has always been involved in politics; he has always used politics to hide his business deals. He has always used his radio station and his television station to attack peoples' movements, labor groups, and any kind of nationalistic movements in this country.

His radio and television stations have been the standard-bearer in this country of everything that is servile and pro-oligarchic. Recently, at the nomination of Mr Arturo Vallarino as a MOLIRENA [Nationalist Liberal Republican Movement] Legislative Assembly candidate, Mr Carlos Eleta Almaran said on his television station that he supports the opposition and that he supports Mr Vallarino, quote, because he wants to clean up the country, unquote. Those were his exact words.

All members of the opposition have declared that they will clean up this country. Mr Carlos Eleta Almaran made this pledge to clean up the country on television while he was already planning to smuggle 600 kg of cocaine into the United States and use Panamanian companies to launder drug trafficking money. We should reflect on this because the oligarchy feels no repulsion about engaging in this type of business or speaking about liberty and democracy to defend this type of business.

Mr Ferdinand Marcos wants to return to his country because he is very sick. Mr Marcos' attorneys are negotiating with the Philippine Government to return part of the billions of dollars that Mr Marcos stole from the Philippines. However, Mr Marcos' attorneys participated in all sorts of legal maneuvers that allowed their client to withdraw money from that country.

According to the news agency XINHUA, a prominent oligarchic attorney named Arias—we do not know if it is Gilberto Arias or Jaime Arias Calderon—is also involved in this crime, which included establishing fake companies in our country to help Mr Marcos withdraw money from the Philippines.

This is how the oligarchy operates, and if members of our social climbing middle class—at least part of it—believe the oligarchy will change and will try to clean up this country, they will wake up to a nightmare, because since the last century the oligarchy has always been antinational and against the people.

I will only mention one example. The press has reported that we will mark another anniversary of the watermelon slice incident. That was the name given to a massacre that took place last century when U.S. soldiers once again tried to subjugate humble Panamanians; that was called an incident in history books written by the oligarcy.

What our children are not being told is that only humble people participated in that war between U.S. soldiers and the Panamanian people; that the oligarchy of that time supported the economic blackmail of the U.S. Government, which demanded compensation for the

death of its soldiers from the Colombian Government. That is how the United States has treated us throughout history, and the oligarchic history books have always tried to cover this up.

I would like Panamanian parents to confirm whether their children know the real meaning of the so-called watermelon slice incident to uncover the role of teachers who are covering up the truth to help a social class that is antinational and against the people.

Thus, everything is related. Those who are trying to cover up the involvement of Mr Carlos Eleta are the ones that Mr Carlos Eleta supports politically; those who support the ADOC ticket are the ones involved in stripping the Philippines of its assets; they are the ones organizing alleged forums for liberty and democracy in Panama; the same ones who, with the help of the U.S. Embassy, have created a clandestine network to disrupt public order during the elections; they are the ones who are calling for vigils in churches on election day; and they are the ones who are paving the way for U.S. intervention under the pretext of cleaning up this country.

I will briefly respond to an observation made by a caller. According to the listener, I said the COLINA candidate was the secretary of Harinas Panama, Inc. That was a mistake on my part. I was referring to the secretary of the board of directors of Harinas Panama, Mr Guillermo Endara Galimany, who is the ADOC candidate. I thank the caller for pointing out this mistake.

U.S. Economic Steps Impoverish Population

PA1204173489 Panama City MEDIODIA in Spanish 10 Apr 89 p 2

[Text] After analyzing the economic sanctions imposed on Panama by the United States, Planning and Economic Policy Minister Gustavo Gonzalez recently revealed the U.S. economic steps have impoverished 40.2 percent of the Panamanian population.

According to the government official, this means the affected people can barely obtain the necessary income to cover their basic food, housing, and clothing needs.

Gonzalez said the economic damage caused by the U.S. economic sanctions has resulted in a 5-percent increase in the unemployment rate, which jumped from 11 to 16 percent.

The planning minister added that 73,000 children were affected by cuts to the school food and health programs and that U.S. sanctions have affected the quality of education at the schools and at the National University and have hampered the granting of scholarships to 9,500 Panamanian youths.

Gustavo Gonzalez also said plans to build cooperatives and 15,000 houses, protect the forests, and promote agricultural exchanges were suspended as a result of the measures implemented by the Reagan government and extended by the Bush administration.

Weekly Review of Political Situation

PA1304025789

[Editorial Report] The following is a review of material from Panamanian and regional media related to the current political situation in Panama. This review covers the period from 4 to 11 April and includes some items that have been processed in fuller form.

Relations With the U.S.

Arrest of U.S. Citizen

During the week in review, the media gave extensive coverage to the arrest of U.S. citizen Kurt Frederick Muse for alleged clandestine activities. Panama City Circuito RPC Television on 6 April reported that Muse was arrested 5 April upon arrival in Panama from the United States and charged with "involvement in activities that threaten state security." Panama City CRITICA on 7 April provided details of the alleged activities and claimed that Muse was connected with the U.S. Embassy in Panama. Panama City Televisora Nacional on 7 April then televised a news conference by Attorney General Carlos Villalaz and National Department of Investigation Director Nivaldo Madrinan Aponte that disclosed more details and allegations concerning the Muse case. The new conference identified the equipment allegedly used, locations of clandestine radio stations, telephone tapping operations, plans to cause chaos after the elections, and U.S. Armed Forces' participation in these activities. A Panama City Television Service commentary on 9 April claimed that Muse's statements while in custody have unmasked the clandestine plans of U.S. Ambassador Arthur Davis and Deputy Chief of Mission John Maisto to return Panama to colonial times. Panama City LA REPUBLICA DOMINICAL on 9 April summarized the week's reporting on the Muse case with a long front-page report and an article by Ruben Dario Diaz that cited Madrinan's statements. "The Griper" column in Panama City LA ESTRELLA DE PANAMA on 10 April points out that, after the Muse case, no one "will have any doubts about the U.S. Government's intention to meddle in Panama's internal affairs."

U.S. Sanctions

Panamanian Government officials' views on U.S. President George Bush's decision to renew economic sanctions against Panama were also carried in the media. The first report, carried on 6 April by Televisora Nacional, featured statements by Legislator Pedro Brin Martinez, who said it was believed that President George Bush

would "discontinue these serious and unfortunate" sanctions against Panama instead of renewing them. Televisora Nacional on 6 April, however, carried statements by both Manuel Solis Palma and National Liberation Coalition (COLINA) presidential candidate Carlos Duque that expressed no surprise at the continuation of sanctions. The Domestic Service on 7 April broadcast live a COLINA rally in which Carlos Duque said that the people's enthusiastic participation in the rally is their reply to the renewed sanctions; that the opposition will surely celebrate the renewal with champagne and caviar; that the ties between the Civic Democratic Opposition Alliance (ADOC) and the U.S. Embassy have been unmasked; and that the opposition may continue "speaking English and asking the gringos to cut the Panamanian peoples' jugular," but "they cannot cut off the Panamanian people's balls." As for press reaction, the general tone was reflected by Panama City MATUTINO journalist Jorge Ramirez' "Fausto's Mailbox" column on 7 April, which scored the renewal of sanctions while complimenting the Panamanian people on their patriotism and courage and praising the authorities' efforts to counter the sanctions. MATUTINO on 10 April featured an editorial strongly criticizing President George Bush's statements justifying the sanctions against Panama. The media also continued to report on the tax withholding measures affecting Panama Canal Commission (PCC) employees. LA ESTRELLA DE PANAMA on 4 April reported that PCC employees have filed a writ of amparo against Finance Minister Orville Goodin for violating the constitution through his order to confiscate their private property to enforce tax collection. A report broadcast by Circuito RPC Television on 4 April stated that U.S. corporations operating in Panama are exerting pressure on the Bush administration to authorize payment of withheld Panamanian employees' taxes, and an article in CRITICA on 7 April reported that PCC workers have written the Panamanian Government to request that sanctions against workers be lifted.

Regulation of Car Rentals

Televisora Nacional on 7 April broadcast an Executive Branch decree regulating car rentals to foreigners, specifically rentals "involving foreigners rendering services to foreign governments or military forces...." LA ESTRELLA DE PANAMA's 9 April edition published the text of this Executive Branch decree, which outlines the procedures car rental agencies must follow.

PCC Commission Meeting Canceled

Regime media and various Panamanian officials were observed to criticize the decision to suspend the next PCC meeting in Baltimore. CRITICA's 4 April edition featured a Foreign Ministry communique citing PCC Chairman William Gianelli's "deceptive and slanderous" statements that the "PCC administrator and officials should not leave their posts given the political situation in Panama." The communique asserted that "only the United States is currently interested in creating situations or events that affect the normal operation of the Panama Canal." CRITICA and LA ESTRELLA DE PANAMA on 4 April carried texts of letters sent to Gianelli by PCC Board members Oyden Ortega, Carlos Ozores, and Luis Anderson protesting the decision to suspend the Baltimore meeting. A CRITICA editorial on 5 April rejected Gianelli's reasons for canceling the meeting and praised Panamanian members for their "intelligent attitude." Panama City LA REPUBLICA journalist Luis Restrepo Rosas claimed in his 5 April "Vox Populi" column that whoever wrote the PCC communique canceling the Baltimore meeting must have been smoking pot, adding that Gianelli is Panama's worst enemy.

A short report published on 6 April by LA REPUBLICA announces Gianelli's resignation and terms it "another casualty in the U.S. connection that has been conspiring against the Panamanian people's interests over the past 2 years...." Carlos Ozores claimed in a Televisora Nacional 7 April newscast that Gianelli was fired without warning and added that the new PCC chairman cannot be automatically accepted. A report in the 9 April LA ESTRELLA DE PANAMA notes that Panama will demand that the "appointment of the new PCC chairman be discussed within the board."

Election Activity

Preparations, Predictions

Panama City MEDIODIA on 5 April reports that three representatives of the Inter-American Center for Electoral Counseling and Promotion (CAPEL) have arrived and will meet with authorities to review preparations for elections. However, on 10 April, MEDIODIA reports that, according to the Panamanian Electoral Tribunal, "the only countries invited to send observers to the elections are the members of the Association of Central American and Caribbean Elect[illegible] Organizations." According to a Tribunal official, the observers will begin arriving 3 May.

Panama City PANORAMA CATOLICO on 9 April featured the text of an Episcopal Conference communique that explained the church's hopes and fears about the elections. The communique appealed to the country's rulers, the Panama Defense Forces, political parties, citizens, and members of polling places for free elections and offered the participation of parishioners with no party preferences as observers. The communique also announced that masses will be held on 30 April on behalf of the elections.

The "Scoops" column in CRITICA on 4 April stated that Electoral Tribunal figures "clearly indicate" COLINA will win the elections because "almost 500,000 voters" have registered in COLINA, but "fewer than 90,000" have registered in ADOC. Luis Manuel Martinez' commentary on Panama City Televisora Nacional on 6 April discredits a poll that claims ADOC will get 70 percent of the vote and

COLINA will get but 28 percent. Martinez says ADOC vice presidential candidate Ricardo Arias Calderon is so desperate he actually pays for these "false polls."

Regime Media on ADOC Campaign

The regime-controlled media was observed to continue linking ADOC's policies with U.S. policy during the week in review. Panama City MATUTINO and Televisora Nacional on 4 April carried a communique issued by the so-called Union of Natural Leaders charging the opposition will carry out destabilizing activities that will lead to a U.S. intervention and the formation of a puppet government.

The "Scoops" column in CRITICA on 5 April alleged that "tons of PDC and MOLIRENA propaganda have arrived through Howard Air Force Base, financed by the AID through the Private Sector Council for Education Assistance."

CRITICA on 5 April published a cartoon showing Uncle Sam sitting on a high chair, ADOC second vice presidential candidate Guillermo Ford fanning him with a palm leaf, ADOC first vice presidential candidate Ricardo Arias Calderon shining Uncle Sam's shoes, and ADOC presidential candidate Guillermo Endara—carrying a shoeshine box labeled "Reforms to Torrijos-Carter treaty"—waiting for his turn to polish Uncle Sam's shoes.

CRITICA's editorial on 4 April said the PDC's violence against PRD members and offices include arson. CRITICA warned that the PDC cannot play with fire because that could set the entire nation ablaze.

Arrest of Carlos Eleta

Televisora Nacional on 7 April reported that Panamanian businessman Carlos Eleta was arrested in Georgia and charged with drug trafficking. Eleta, a founder of the Labor Party (PALA), owns RPC Radio and Television, which have been carrying wide coverage of the opposition's election campaign. Luis Manuel Martinez' commentary on Televisora Nacional on 7 April said Eleta is a "millionaire without scruples" who "sold out" to foreign interests and "betrayed" his people. CRITICA on 8 April carried a front-page article claiming that the opposition's campaign is financed by drug trafficking, because Carlos Eleta and Guillermo Endara are partners in several businesses. The same issue of CRITICA carried an editorial lambasting Eleta, saying he is "a crook with many faces" because his television station talks about nationalism while he "deals in drugs." The PALA issued a statement, published by CRITICA on 11 April, stressing that Eleta's ties with the party ended in 1987, when he was expelled and "sought refuge in the ranks of the opposition."

Economic Developments

During the week in review, economic reports focused on cautious optimism by regime officials that the country's economic situation was showing some improvement. MATUTINO and LA ESTRELLA DE PANAMA on 4 April carried a report that the government will pay 36,584 promissory notes totaling $2,999,914.27 this month, adding that more notes will be paid in May. MATUTINO on 4 April also carried a report on Comptroller General Francisco Rodriguez' statements that public finances are improving, that revenues collected during 1st quarter of 1989 are better than expected but still lower than in previous years, and that the regime's austerity plan has allowed the government to counter the effects of "U.S. aggression." Circuito RPC Television on 4 April and MEDIODIA on 8 April reported Revenue Director Ricardo Levy's announcement that $63.5 million have been collected in the 1st quarter despite the economic crisis.

From the opposition perspective, Circuito RPC Television on 6 April broadcast statements by Hermel Rodriguez, Christian Democratic Party (PDC) secretary general, who claimed that approximately 5,000 voters, including some candidates, are missing from the final voters list.

MEDIODIA on 4 April reported a speech by General Manuel Antonio Noriega in Panama City during which he emphasized the need to coordinate actions between the Legislative Assembly and community representatives. He also mentioned the need to prepare for the elections, because the U.S. Embassy supports ADOC presidential candidate Guillermo Endara, who serves only U.S. interests. A LA REPUBLICA article by Hollis Robinson on 5 April reviewed Gen Noriega's meeting with Colon candidates to discuss the community representatives issue. The article stated that the opposition is not forgiving Noriega for his patriotic stance against the United States, because the "oligarchs" that compose the opposition are the "people's enemies." A Noriega speech in Chepo on 10 April, reported by both Telemetro Television and Televisora Nacional, also discussed the need to reorganize "old, traditional structures" at the community level.

COLINA Activities

During the week in review, proregime media continued to report liberally on the COLINA slate's political activities. MATUTINO's 5 April editorial asserted that nationalism, moderation, concern for the needy, and devotion to the fatherland are COLINA's trademarks, whereas the ADOC parties are characterized by their interest in profit, abuse of power, and betrayal of the country to foreign interests. Circuito RPC Television on 6 April featured Carlos Duque's address at a Democratic Revolutionary Party (PRD) meeting to analyze the effects of U.S. "aggression." He asserted that COLINA

will not allow unemployment to continue affecting people and added that a new foreign debt proposal must be formulated. COLINA's second vice presidential candidate, Aquilino Boyd, also delivered a speech at the event. During the speech, which was reported by MATUTINO and LA REPUBLICA on 6 April, Boyd said the people reject the ADOC candidates because their "slanderous" and "treasonous" attitude has resulted in the current unemployment levels and crisis in the banking sector. Boyd added that COLINA will respect Panama banking secrecy laws, and he promised the government's cooperation in fighting money laundering.

Opposition Claims Harassment

During the week in review, opposition leaders charged that the regime was harassing its opponents. Circuito RPC Radio on 4 April broadcast a statement by PDC Legislator Guillermo Cochez, who claimed the government will fire public employees who failed to attend a recent COLINA rally. Circuito RPC Radio that day also carried a statement by ADOC vice presidential candidate Ricardo Arias Calderon, who said the regime has tried involve opposition candidates in brawls. Arias Calderon also charged that the principal of the Divisa school was fired because he refused to send students to a COLINA rally.

Circuito RPC Television on 5 April televised a statement by Blas Julio, a candidate for legislator from the Nationalist Liberal Republican Movement (MOLIRENA), who reported that he was abducted, beaten up, accused of distributing subversive propaganda, and threatened with rape and death before being released. Circuito RPC Television on 5 April also carried a statement by Arias Calderon condemning attacks on opposition candidates and emphasizing that the regime is trying to frighten the opposition.

Circuito RPC Television on 5 April carried statements by Planning Minister Gustavo Gonzalez, who said the Panamanian Government continues to seek foreign financing in Europe, although he conceded Panama's credit standing has been affected by the economic crisis. Speaking on Domestic Service on 5 April, Mario de Diego, executive director of the National Banking Commission, hinted at the possibility of releasing deposits through reforms to current legislation and at the possibility of revising laws regulating the banking sector.

According to MEDIODIA on 6 April, Hugo Torrijos, director of the General Consular and Shipping Directorate, reported $12.6 million had been collected from merchant marine fees in the past 3 months. Circuito RPC Television on 6 April broadcast a statement by labor union leader Luis Asprilla, who lamented the "poor conditions" at Balboa Port facilities and added that port activities have dropped 60 percent between 1985 and 1988. He said if the government does not take action, the Balboa Port might have to close down in less than 2 years. On the other hand, in remarks to Panama City Radio Exitosa on 8 April, National Port Authority Director Felipe Alberto Estribi said there are plans to improve Balboa Port facilities despite the lower volume of cargo.

Relations With Other Countries

Visit by Nicaragua's Borge

Televisora Nacional on 7 April reported Nicaraguan Interior Minister Tomas Borge arrived in Panama that morning. Borge visited the Rio Hato military base and addressed the Macho de Monte Battalion on its anniversary. He also met with Gen Noriega, Televisora Nacional reported, noting they discussed "topics of mutual interest."

Coverage of Gorbachev Visit to Cuba

During the week in review, Panamanian media were observed to carry several reports but no comment on Soviet President Mikhail Gorbachev's visit to Cuba. MATUTINO on 4 April carried a report on Gorbachev's political background, rise to power, and changes he is implementing in the USSR. Domestic Service on 4 April carried a live report by Havana Radio Rebelde announcer Jorge Ibarra from Cuba giving details of Gorbachev's 3 April activities and 4 April schedule. The proregime Televisora Nacional on 5 April carried a report on Gorbachev's visit to Cuba, highlighting his address to the Cuban National Assembly. Televisora Nacional observed that Gorbachev emphasized the principle of nonintervention, noted the importance of the Central American peace agreements, and urged efforts to solve the foreign debt problem. A full page of LA REPUBLICA DOMINICAL's 9 April issue was devoted to the signing of the Cuba - USSR friendship treaty and to Gorbachev's and Cuban President Fidel Castro's speeches to the Cuban National Assembly.

Argentina

Alfonsin Attends Atucha Nuclear Plant Ceremony

PY1304005089 Buenos Aires TELAM in Spanish 2209 GMT 12 Apr 89

[Excerpt] Buenos Aires, 12 Apr (TELAM)—During a ceremony held today to install the dome of the containment chamber of the Atucha II nuclear power plant facilities, President Raul Alfonsin stressed the importance of the "large projects" being implemented in the power field. He said that "these projects will benefit our children." The Atucha II nuclear power plant is located in the city of Lima, Zarate District, in Buenos Aires Province. [passage omitted]

Atucha II, which is currently under construction, is Argentina's third nuclear plant and will become the most powerful one as soon as it begins operations. It will operate at 692 mw in the national interconnected system. It will produce 10 percent of the country's total power generation. [passage omitted]

Economy Minister Demands Debt Restructuring

PY1204220989 Buenos Aires TELAM in Spanish 1625 GMT 12 Apr 89

[Excerpt] Buenos Aires, 12 Apr (TELAM)—Economy Minister Juan Carlos Pugliese has demanded a comprehensive solution to the Latin American debt, which, he said, is a political issue of international origin. Pugliese stressed that the region's foreign indebtedness was one of the main reasons "for the worst decade in Latin American history."

Pugliese said the present economic situation began in 1981, "when Latin American governments began implementing harsh economic adjustment policies that became even harsher in the following years."

Pugliese said these policies caused GDP's to drop and had a strong negative effect on employment and inflation: "The per capita GDP dropped by 15 percent from 1980 to 1988," Pugliese said.

Pugliese said "the current Latin American governments have not, repeat: have not, shown a lack of willingness to reestablish their credibility with the international capital markets. Their efforts are even more outstanding considering that most countries are undergoing difficult processes of return to democracy."

Pugliese made these remarks during a speech at the 28th general assembly of the National Savings Institute at the Hotel Plaza in Buenos Aires. Pugliese refused to comment further to reporters, but announced that next week he will probably hold a news conference at the Economy Ministry.

Pugliese spoke before 160 delegates, diplomats, legislators, and foreign bankers from several countries. The minister stressed that during the last decade "the foreign debt, that used to be an instrument that gave relief to Latin American economies, became the main obstacle to the region's growth."

I think three requirements have to be fulfilled to reverse this process of impoverishment: [no quote marks as received]

"First, the implementation of serious economic policies granting high priority to stability and fiscal order in the short term, and creating the proper framework for the implementation of the other two requirements. Second, the reorganization of the productive apparatus to give it more competitiveness and productivity in order to successfully compete in world markets because increasing foreign trade is the only way to attain sustained growth. Third, we need to reform the state."

Regarding the third requirement, Pugliese said the state "should stop being a direct or indirect producer of goods and services and become a supervisor of economic activity. It should only produce essential public services promoting public investments and eliminate excessive regulations that merely hinder the process of economic decision-making."

Pugliese said that during 1982-88 Latin America transferred 24 percent of its total exports, and 42 percent of the amount of the present debt, to the industrialized north.

The minister demanded the reduction of international interest rates and the restructuring of the debt. He asserted that the debt is the reason why "a third of the region's population lives in extreme poverty." [passage omitted]

Alsogaray Favors Resuming UK 'General Talks'

PY1204204789 Buenos Aires TELAM in Spanish 1607 GMT 12 Apr 89

[Excerpt] Bahia Blanca, 12 Apr—Alvaro Alsogaray, presidential candidate for the Alliance of the Center, has said he favors resuming "general talks" with the United Kingdom. Relations between the two countries have been severed since the Malvinas War. Alsogaray said that initially we "could put aside the subject of sovereignty, clearly stating, however, that for us it is still a major issue."

Alsogaray said that "during the first meeting, we can propose dicussing the sovereignty issue, to which the United Kingdom will answer that it is not ready to negotiate. We can then either become annoyed like children, or we can say: Let us leave this issue for later, and discuss other matters first."

Alsogaray made these statements during a news conference upon arriving in this city. He said that "there are many important subjects that we can start solving. First of all, the subject of fishing in the South Atlantic, since Argentina is the only country in the world that cannot fish in this territory." [passage omitted]

New PCA Secretary General Designated

PY1204153689 Buenos Aires TELAM in Spanish 0925 GMT 12 Apr 89

[Text] Buenos Aires, 12 Apr (TELAM)—Patricio Echegaray has been designated as Secretary General of the Argentine Communist Party [PCA]. Echegaray thus replaces Athos Fava who has been elected president of the PCA.

Echegaray, first candidate for national deputy for the United Left, was elected last night in this capital during a meeting of the PCA Central Committee.

Regarding Fava, it has been said that his designation as PCA president, a post not yet established in the party's structure, will have to be formalized and probably approved during the next PCA congress.

Universities To Install FM Radio Stations

PY1205015389 Buenos Aires TELAM in Spanish 2058 GMT 11 Apr 89

[Text] Buenos Aires, 11 Apr (TELAM)—The executive branch has authorized the universities of San Luis, Tucuman, and Mar del Plata to install and operate FM radio stations to broadcast educational programs.

Through Decree No 482, the executive branch establishes that these universities will be able to operate broadcasting services in the cities of San Luis, Villa Mercedes, San Miguel de Tucuman, and Mar del Plata.

The decree says that the universities, which were granted the corresponding authorization, will have to submit within 120 days the technical documents and the authorization to install the stations to the communications secretariat for their approval.

Correction to Defense Minister Return, Statement

PY1204181889

The following correction pertains to the item headlined "Defense Minister Returns, Makes Statement," published in the 12 April Latin America DAILY REPORT, page 33, column one:

page 33, column one, paragraph two, penultimate sentence make read: ...the Peronist Party. No one believes that there is any other option." (new graf) Regarding the possibility... (rewording).

Bolivia

Paz Says Economy Changes Would Cause 'Problems'

PY1205122089 La Paz PRESENCIA in Spanish 9 Apr 89 p 1

[Text] President Victor Paz Estenssoro believes that the task of putting the economy on a sound footing has not yet been completed and that the next government must ensure that the guidelines of the economic model implemented during his administration will be continued. In his first reference to the future, the chief executive notes that "a radical change of course would bring about more problems than benefits, with the risk of returning to the times of uncertainty and crisis."

Paz's message marked the 37th anniversary of the revolution of 9 April 1952 and drew a comparison between then and now.

The president passionately championed the economic model implemented by his administration, stating that the decisive role attributed to the market trends meets the country's current circumstances and follows the world's current trends, independent of the systems of government or political ideologies.

"This, and the fact that the task has not yet been completed, urges us to continue along the same lines," Paz noted.

Concerning the elections scheduled for 7 May, the president said they are "an extremely important test in which, given different alternatives, the Bolivian people will exercise their sovereignty under the Bolivian Constitution."

Paz discussed the historic role that MNR [Nationalist Revolutionary Movement] has played in its four decades of existence, stating: "Mistakes were made; however, no one can cast doubt on the fact that a bold and significant step was taken to modernize the country."

Paz explained that the MNR task was characterized by keeping pace with the Bolivian reality. He said that the MNR "found solutions to the increasingly pressing problems posed by history, implementing the required viable policies, like the revolutionary measures that were taken following 9 April 1952 and the program to save the Bolivian economy in 1985."

"One-third of a century has passed since 9 April 1952. This is a long time over which to judge, without the passion of the political struggle, the great changes conducted by the National Revolution," the chief executive said.

The president pointed out that priority action is currently being assigned to curbing runaway inflation, as a basis for subsequently restoring the economy and defending the social groups with fixed income who are "the most affected by a continuous devaluation of the currency."

Paz concluded his message by paying homage to the architects of the April 1952 feat, "with the conviction that the MNR still enjoys an important political place and still has much to do in the service of Bolivia."

President Paz Suspends Visas for PRC Citizens

PY1104132489 La Paz La Red Panamericana in Spanish 1130 GMT 11 Apr 89

[Text] President Victor Paz Estenssoro has decided to suspend issuing visas to PRC citizens. This is one of the measures being adopted to try to clear up some apparent irregularities in granting visas.

Information Minister Hermann Antelo has stated that the president is concerned over recent comments. For this reason he has decided to adopt measures which include the decision to suspend issuing visas to PRC citizens.

He has also ordered that all consular tax stamps issued by Bolivian consulates in the PRC be recovered and that a joint-ministerial commission be created to investigate the case. A high-ranking delegation will be sent to the PRC to verify the reported irregularities.

President Paz Estenssoro hopes that within time this situation will be clarified and that a solution will be found.

The information minister added that the president of the Republic wants a serious and resolute investigation that will identify those responsible for the irregularities.

PRC citizens have been accused of misusing documents granted by the Bolivian consulate in the PRC.

Brazil To Comply With Terms of Accords

PY1204031989 La Paz EL DIARIO in Spanish 9 Apr 89 p 1

[By EL DIARIO correspondent Jose Capriles; quotation marks as published]

[Excerpt] Sao Luiz do Maranhao, 8 Apr—During an exclusive interview with EL DIARIO, Brazilian President Jose Sarney today said that his country will comply "with absolutely all the terms" of the accords that he and his Bolivian counterpart Victor Paz Estenssoro signed in La Paz in August 1988.

Sarney said that "Brazil will do all in its power to ensure the full implementation of the Bolivian-Brazilian economic cooperation accords, adding that he hopes that the implementation of the accords will begin before the end of his term, which will be on 15 November 1989 [as published]. This is the date of the elections.

The accords signed by Sarney and Paz Estenssoro provide for the opening of the Brazilian market for 600 Bolivian products, especially fertilizers, polymers, and, as of 1993, thermally generated electrical power that will consume more than 200 million cubic feet of gas per day. This volume of gas will be similar to the quantity currently being sold to Argentina. [passage omitted]

New Case of Forged ID Cards Reported

PY1204135489 La Paz La Red Panamericana in Spanish 1130 GMT 12 Apr 89

[Text] Bolivian officials have denounced the existence of forged Bolivian identification documents in the hands of Peruvian citizens. This means that Peruvian citizens have managed to obtain Bolivian documents as if they were Bolivian citizens by birth.

Bolivian officials have reportedly detected some cases, and have confiscated duplicated identification cards from Peruvian citizens.

However, this new case of forgery is being kept under strict secrecy because it could cause serious problems for national security.

MRTKL Militants Report Attacks by IU Members

PY1104135489 La Paz La Red Panamericana in Spanish 1130 GMT 11 Apr 89

[Text] The Tupac Katari Revolutionary Liberation Movement [MRTKL] and the Tupac Katari for Liberation and Leadership Front [Frente de Liberacion y Lideranza Tupac Katari] have reported that their militant members have been subjected to beatings with rocks, sticks, and knives, by members of the United Left Front [IU]. They reported that these beatings took place during a rally staged last Sunday, 9 April, in the city of El Alto.

They added that IU candidate Antonio Aranibar personally led the attacks on the MRTKL members and others who were carrying out a political campaign in the Tupac Katari Plaza in El Alto.

Members of these two political movements have reported that, not satisfied with the physical beatings, the IU militants destroyed the party symbols of these two movements.

They finally challenged representatives of the IU to a public debate. They stated that the IU members would be pitied because they lack good ideas and merely engage in beatings and vandalism.

Mexico Offers Credit for Gas Supply Network

PY1104124689 La Paz La Red Panamericana in Spanish 0000 GMT 11 Apr 89

[Text] Through its state bank, the Mexican Government has offered Bolivian Government Oil Deposits [YPFB] a $7-million credit for the construction of a gas supply network in the city of El Alto. This information has been released by YPFB President Alfonso Romero, who said the Mexican Government's offer was officially submitted today.

Romero explained that the gas supply network, which will initially serve 74,000 consumers, might be built by the Mexican firm (Protecsa), which also built the gas pipeline on the high plateau.

Romero said the credit, which may be as much as $7.5 million, reflects the Mexican Government's willingness to support the development projects sponsored by YPFB, adding that YPFB wants to build gas supply networks in several Bolivian cities.

Romero said that the Mexican financial offer must be processed in keeping with the existing regulations, adding that he hopes the respective negotiations will be short, bearing in mind the importance of the project.

According to YPFB, during the first stage of implementation the project will demand [words indistinct]. The objective of YPFB is to render services to 100,000 families.

Central Bank President on Foreign Reserves

PY1104163089 La Paz PRESENCIA in Spanish 7 Apr 89 p 6

[Summary] Central Bank President Jacques Trigo has reported that Bolivian foreign reserves now stand at $86.7 million. He noted that this level is sufficient to meet the country's needs.

Health Director Reports on AIDS, Yellow Fever

PY1204032289 La Paz EL DIARIO in Spanish 10 Apr 89 p 2

[Excerpts] Dr Angel Valencia Telleria, health director general, has officially reported that only nine cases of AIDS have been recorded in Bolivia so far.

He rejected other unofficial reports on the subject and qualified them as inaccurate.

Valencia said that out of these nine patients, only one remains in Bolivia, while the others have either died or returned to their countries of origin. The only case known in Bolivia is that of a young man who has been hospitalized in the La Paz Clinics Hospital for some time now, the doctor said. [passage omitted]

When asked about the existence of some epidemics in the country, particularly of yellow fever, the health director general said that there are no epidemics that can be considered emergency cases in the country.

The yellow fever outbreaks that have been detected in Isiboro and Bulo-Bulo areas have been controlled, he said.

Correction to Accusation of Cuban Ambassador

PY1004220589

The following correction pertains to the item headlined "MIR 'Letter' Accuses Cuban Ambassador," published in the 10 April Latin American DAILY REPORT, page 35, column one:

page 35, in headline and throughout item, all references to Movement of the Revolutionary Left, MIR, should be changed to National Leftist Movement, MIN.

Brazil

Itamaraty Regrets Namibian, Lebanese Incidents

PY1204134889 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 12 Apr 89

[By Gustavo Mariani]

[Text] The Brazilian Government has expressed its regret over the resumption of fighting in Namibia and Lebanon.

Yesterday, Itamaraty released a note regretting the latest incidents which have occurred in Namibia, where the South West African People's Organization and South African Military forces have clashed.

The note rejects the use of force by the Pretoria regime, and points out that the two parties must act with moderation until the disagreements are solved.

In another note, Itamaraty expressed concern over the worsening crisis, and the participation of foreign forces, in attacks on the civilian Lebanese population.

In the name of the Brazilian Government, Itamaraty expressed support of the initiative that calls for the suspension of fighting in Beirut and for the withdrawal of troops from Lebanon.

Foreign Interest Seen in Amazonian 'Campaigns'

PY1304005389 Brasilia Domestic Service in Portuguese 2200 GMT 12 Apr 89

[Text] Acting Foreign Minister Paulo Tarso Flecha de Lima has been summoned by the Chamber of Deputies to brief lawmakers and heads of diplomatic missions on the Amazonian issue.

Flecha de Lima has said that the campaigns that seek to depict Brazil as unable to preserve the Amazonian region are not set in motion by chance, because they actually reflect an old interest in the region. This old interest has been repeatedly shown through pressure on the Brazilian Government. According to Flecha de Lima, such campaigns have negatively affected the Brazilian image abroad and have hindered efforts to obtain financial resources.

[Begin Flecha de Lima recording] It is not just by chance that Brazil has been the target of international criticism. A country with vast territory, Brazil (?has become increasingly important) to the international community. Nevertheless, Brazil is vulnerable to campaigns of this type because of its relative dependence. (?This year) Brazil is the ideal target. [end recording]

Flecha de Lima added that international concern about the Amazonian region can yield excellent political dividends.

Guimaraes Leaves PMDB Chair After 18 Years

PY1204192289 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 12 Apr 89

[Text] A few minutes ago, Deputy Ulysses Guimaraes ceased to be the chairperson of the Brazilian Democratic Mobilization Party (PMDB). Guimaraes has been PMDB chairman for 18 years. He announced his decision during the party's Executive Board meeting.

In a note, Guimaraes explained that he has ceased to be the PMDB chairperson until the 19-30 April convention decides who will be the party's presidential candidate. The note states: I am doing this for the benefit of my party. In this way, I will comply with the requirements of my candidacy that was proposed by representatives of the PMDB and other moderate sectors of society.

The note adds: I propose to be the PMDB candidate for the National Convention.

The new PMDB chairperson is First Deputy Chairman Jarbas Vasconcellos, Recife, Pernambuco State, former mayor.

Communications Minister Magalhaes Resumes Work

PY1204192089 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 12 Apr 89

[Text] Communications Minister Antonio Carlos Magalhaes has just arrived in Brasilia to resume work at the ministry. He will work part time and do the prescribed exercises that are required for his complete recovery.

Minister Magalhaes suffered a heart attack and was operated on at the Sao Paulo Heart Institute.

Stroessner Discharged From Heart Institute

PY1304013289 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Apr 89

[Text] Former Paraguayan President General Alfredo Stroessner was discharged from the Sao Paulo Heart Institute today. He was admitted on 9 April to undergo heart tests.

According to physicians, Stroessner is in good health. Stroessner is staying at a hotel in Sao Paulo.

Chile

Congressional Elections Draft Law Approved

PY1204174089 Santiago Domestic Service in Spanish 1030 GMT 12 Apr 89

[Text] The Government Junta has approved a draft law establishing the electoral districts for deputies and approved the existence of electoral fronts with the only requirement that the parties involved share the same ideology.

This information was disclosed by Navy Commander Admiral Jose Toribio Merino following the legislative branch's meeting at the Diego Portales Building.

Adm Merino said that the law establishes a total of 60 districts, and the election of 120 deputies.

[Begin recording] [Merino] The 1st Region will elect 4 deputies; the 2d Region will elect 4; the 3d Region will elect 4; the 4th Region will elect 6; the 5th Region will elect 12; the Metropolitan Region will elect 32; the 6th Region will elect 8; the 7th Region will elect 10; the 8th Region will elect 14; the 9th Region will elect 10; the 10th Region will elect 12; the 11th Region will elect 2; and the 12th Region will elect 2; that makes a total of 120 deputies and 60 electoral districts that the Government Junta has approved.

[Unidentified reporter] How about the electoral coalitions?

[Merino] They have also been approved. [end recording]

The member of the Government Junta explained the grounds on which the legislative branch approved the law on electoral coalitions. Among them, he said, the legislative branch took into account characteristics that would be easy for the Electoral Registry office to verify.

[Begin Merino recording] In order to approve this law we took into account the regulations and the basic principles of each party and that way they define their ideology and political leaning as published in the unofficial media. Almost all parties advocate one common point: They

maintain that they have established themselves as political parties seeking to contribute to promptly leading Chile toward a representative democracy, etc. There is no easier requirement for the Electoral Registry ofice to verify. [end recording]

Adm Merino also said that during the meeting the Government Junta approved the transitory article that fully eliminates all restrictions preventing public officials from running for congressional elections.

Regarding the Army declaration in support of the president of the Republic following the charges by political parties and, especially, by socialist Clodomiro Almeyda who said that the chief of state should seek asylum, Adm Merino said: Clodomiro Almeyda has no right to talk about, or criticize, the president of the Republic. Everyone is aware of what the president has done during these past years. No other president of the Republic has done better than he.

PPD, PDC End 'Cold War,' Sign Declaration

PY1304022989 Santiago Domestic Service in Spanish 2300 GMT 12 Apr 89

[Text] The PPD [Party for Democracy] and the Christian Democratic Party [PDC] ended their cold war when they recently signed a joint declaration. However, they have yet to reach an agreement on the share of seats each party will receive in Congress.

The PPD, headed by Ricardo Lagos, pointed out its commitment to participate in a future opposition government. The PDC considered that statement to be a type of rapprochement.

In their joint declaration, the two parties express their will to be responsible—together with the Coalition of Parties for Democracy [CPPD]—for the future government. They also agreed to nominate a single presidential candidate and to cooperate in a joint program.

The PPD will even appoint committees to organize this political participation process. However, the party recognizes that they still have not agreed on the best way to obtain a large congressional majority which, it says, should honestly represent all CPPD members. This means that they are discussing whether to participate in the elections with one or two tickets.

Onofre Jarpa Drops Out of Presidential Race

PY1304014989 Santiago Radio Cooperativa Network in Spanish 2300 GMT 12 Apr 89

[Text] Fernando Maturana, member of the National Renewal Party Political Commission, has said that Sergio Onofre Jarpa's decision not to run for president was like a stab in the party's back.

Maturana added that those who worked closely with the president of the National Renewal Party as members of the Political Commission were not really surprised because Jarpa has said he would not run several times.

Maturana said that many people were surprised by the decision and that party militants feel as though they have been stabbed in the back because everyone wanted Jarpa to be the party's candidate. The party has not nominated him because he clearly refused to accept.

Maturana concluded by saying that Jarpa stated his position very clearly and now expects reporters to take him seriously. The decision will also clarify the party's political situation, Maturana said.

Interior Minister Denounces Terrorism

PY1304015689 Santiago Domestic Service in Spanish 2300 GMT 12 Apr 89

[Text] Interior Minister Carlos Caceres has said that the recent wave of terrorism is part of a new Communist strategy designed to bring about a national strike. The minister made a public declaration stating that these violent sectors intend to prevent the peaceful progress toward full democracy. He also said that the government will adopt all necessary measures to ensure public peace.

[Begin Caceres recording, in progress]...(?the strategy of those) sectors which practice violence and uphold totalitarianism, consists in preventing the peaceful progress toward full democracy and agreements or understanding among the democratic sectors which have been summoned by the government by express order of President Pinochet.

Fifth [as heard], in face of this situation, I want to inform the citizenry that the government will continue adopting all necessary measures to guarantee public peace. It will not evade its responsibility to conduct the current political process through the path of peace and understanding it has always respected. [end recording]

Minister Caceres stressed that terrorism must be isolated and separated from agreements and alliances that are being made among the democratic sectors, because it constitutes the worst aggression imaginable against human rights.

Caceres said that the latest violent attacks should serve as a warning regarding the behavior of the Communist Party and its armed branches.

[Begin Caceres recording] These terrorists are members of international terrorism. The seriousness of their recent attacks against people, property, and national economic activities must serve as a warning on the activities carried out by the Communist Party and its armed branches.

I hope that the recent attacks will make people become aware that if we do not face them with appropriate firmness we will run the risk of seeing the destruction of the peaceful and democratic coexistence we all desire. The government, the Armed Forces, and the forces of order will not allow such destruction. [end recording]

In the name of the government the interior minister expressed condolences to the families of victims of terrorist attacks, to the wounded men, and to the Chilean Carabineros.

Investigative Police Chief Discusses Grape Issue

PY1304020089 Santiago Domestic Service in Spanish 2300 GMT 12 Apr 89

[Excerpts] General Fernando Paredes Pizarro, Investigative Police director, met in Valparaiso with the judge who is hearing the case of the poisoned grapes and gave him a report on his institution's investigations.

Gen Paredes said that the grape sabotage incident is part of a plot aimed at destabilizing Chile's participation in the international fruit market. [passage omitted]

The investigations director said that where the grapes were poisoned is not as important as the fact that this is an international plot. He added that the police are looking for those responsible for the sabotage, as well as the group that sought to destabilize Chile's fruit industry.

Merino Reported Ill; Talcahuano Visit Suspended

PY1204170889 Santiago Domestic Service in Spanish 1030 GMT 12 Apr 89

[Relay from the Eighth Region]

[Text] Navy Commander Admiral Jose Toribio Merino's visit to Talcahuano has been postponed until further notice.

Adm Merino was scheduled to arrive in Talcahuano today but the Public Relations Office of the 2d Naval Zone has disclosed that Adm Merino will not travel to the zone because he is ill.

Colombia

Venezuelan Defense Minister Visits, Views Army

PA1204142989 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 Apr 89

[Report on interview with Venezuelan Defense Minister General Italo Del Valle Alliegro by unidentified reporter in Cali, Colombia, on 11 April]

[Text] Venezuelan Defense Minister General Italo Del Valle Alliegro is in Cali on visit. This morning, he commented on rumors that Venezuela had at some time intended to attack Colombian cities. Gen Alliegro said that Venezuela has never had plans to attack Colombia. During his visit to Cali, he recommended emphasizing the positive aspects of Colombian-Venezuelan relations and leaving the negative aspects of their relations for historians to analyze.

[Begin recording] [Alliegro] All I know about the events in Santa Marta, Barranquilla, and Cartagena come from a song. I am completely certain that the idea of an attack has never crossed our minds, and particularly not during Jaime Lusinchi's administration, when I was Army chief. This can be confirmed by Foreign Ministers Simon Alberto Consalvi and Aristides Calvani. All of us know what happened. Such things, however, are relegated to the past and should be left to historians. We should not be recalling minute details. There are thousands of things that unite us and only a few things that divide us. Therefore let us emphasize those things that unite us and minimize those that divide us. I believe that this is the right thing for us to do.

[Reporter] What are the positive results of your visit to Colombia?

[Alliegro] I think that the two countries have a better understanding than most people realize, although there are many who would wish our relationship were otherwise. The Colombian and Venezuelan Armed Forces have always had an understanding. This is so, although many people would like our relations to be otherwise. [end recording]

The purpose of his visit is to bring the two countries' Armed Forces closer together so that the two Armed Forces, working together, can improve the living conditions of those living in the border area.

Government Reports Gradual Inflation Decrease

PA1204143289 Bogota LA PRENSA in Spanish 5 Apr 89 p 27

[Summary] Inflation is gradually decreasing. Last month it was 2.48 percent, in comparison to 3.32 percent in February and 2.83 percent in January. Nevertheless, the accumulated inflation rate of 26.5 percent for the past 12 months is the highest in 5 years. Something similar is happening with the 1st quarter's 8.89 percent index which, although lower than the 10.26 percent reported in 1987, surpasses the figures reported over the past few years.

Also in March, low-income Colombians were the most affected by the increased cost of living, which rose to 2.64 percent with a quarterly cumulative increase of 9.19 percent. Meanwhile, middle-income Colombians' cost of living expenses rose 2.41 percent with a 8.27 cumulative increase so far this year.

Drugs and medical services registered the highest increases with 7.13 percent, followed by food with 2.82 percent, transportation with 2.40 percent, housing with 2.32 percent, miscellaneous items with 1.73 percent,

clothing with 1.66 percent, and education with 0.78 percent. Milk, eggs, and fruit increased the most, the prices of rice and beef remained stable, and the prices of vegetables and legumes dropped.

The effect on transportation was considerable, not only because of increased passenger and cargo fares, but because automobile prices also increased.

March price indexes show that during the 1st 3 months of the year, inflation in the border regions has been practically half of the 24-percent goal the government established for the entire year.

Pasto Mayor Discusses Galeras Volcano Problems

PA1204144189 Bogota Inravision Television Cadena 1 in Spanish 0028 GMT 12 Apr 89

[Interview with Pasto Mayor German Guerrero Lopez by Maria Isabel Rueda in Pasto—live]

[Text] [Rueda] Good evening, German Guerrero Lopez, mayor of Pasto.

[Guerrero] Good evening.

[Rueda] The 24-Hour Newscast has promised to give the people of Narino Department exact information on what is happening. We have heard you have last-minute news on Galeras Volcano. Mr Pasto Mayor, what is happening right now with Galeras?

[Guerrero] Maria Isabel, thank you for this opportunity. We have scientific and technical information on the situation at the volcano. The Pasto municipal emergency committee I lead has decided to inform the population of the true circumstances prevailing at the volcano. The volcano's activity has been gradually building, which makes it possible to forecast that such activity will soon increase further. Therefore, we have decided to inform the people of a map with the various zones of the city, so Pasto residents will all know to which zone they belong. Tomorrow, the Pasto newspaper EL DIARIO DEL SUR will publish this map, which outlines the various neighborhoods. We are encouraging residents of dangerous areas to move to less dangerous areas. In other words, if I live in a dangerous area and have relatives in safer areas, I should begin moving there and spend the nights there, to prevent being caught by surprise.

[Rueda] Mr Mayor, does this mean we are now on orange alert?

[Guerrero] No, we are not yet on orange alert. We also are not yet prepared to handle such an emergency. We do not have the means or resources for handling it; therefore, we are going to request that people do this on a voluntary basis. Then, once we have reduced the population in the dangerous areas, we could handle them in an operational, direct manner.

[Rueda] Mr Mayor, does this mean you are preparing an evacuation plan in the city of Pasto and the municipalities near the volcano?

[Guerrero] We are preparing a future evacuation plan in the most dangerous areas of Pasto municipality. We believe this is our responsibility. We prefer to be overly cautious about this rather than not providing the people with adequate information and communications.

[Rueda] Mr Mayor, we are going to continue bothering you in the next few hours, asking you about the situation at the volcano. We are alarmed. It has also been reported that the crater has been glowing in the evening hours, leading scientists to believe lava is rising. Is this correct?

[Guerrero] Yes, there is incandescent material at the mouth of the crater. The luminosity is also caused by the proximity of the magma, or lava, to the volcano's mouth, which has been detected. This means the volcano's activity has been very sudden and quick. The activity of the Nevado del Ruiz Volcano was much slower.

[Rueda] Mr Mayor, we also understand two foreign vulcanologists will be arriving very soon in Colombia. Who are they, where are they coming from, and how can they help us?

[Guerrero] The Geological-Mining Research Institute has this information. Through this means, we want to urge the Presidency of the Republic to accelerate the process and send us the resources we need for efficient assistance to the Pasto community and the surrounding municipalities under the present circumstances. At the present time, we are not able to handle the necessary operations required by an emergency that will probably arise.

[Rueda] Mr Mayor, inasmuch as we have promised the people of Pasto and all the municipalities near the volcano in Narino Department to speak clearly, should we be telling the residents to pack their bags?

[Guerrero] No, not exactly, but we should all be prepared. We must remain alert. We, the municipal authorities, will speak clearly to them, as we are doing now, without any secrets. We will notify them of the truth of everything happening, and we are sure we will not let the volcano catch us by surprise.

[Rueda] Correct, Mr Mayor, and rest assured of our full cooperation and help in anything. The 24-Hour Newscast is at the service of the people of Narino, at your disposition, Mr Mayor.

[Guerrero] Maria Isabel, thank you so much. You have quickly heeded our call and have accompanied us in these difficult moments.

[Rueda] Dr German Guerrero Lopez, good night, and we will keep in touch. Thank you.

Ecuador

Government To Renegotiate Foreign Debt

PA1304031989 Buenos Aires REUTER in Spanish 1956 GMT 12 Apr 89

[By Jorge Aguirre]

[Text] Quito, 12 Apr (REUTER)—Ecuadoran Finance Minister Jorge Gallardo has said that he has confirmed to foreign creditor banks the government's decision to end the debt payment moratorium and begin renegotiating $6.5 billion of its foreign debt.

"The renegotiation with the banks will consist of $5.5 billion in capital and approximately $1 billion in postponed interest payments," Gallardo said today at a news conference on his return from the United States, where he met with bank representatives.

He added that the creditor banks were notified of Ecuador's decision to make symbolic payments on the debt that has yet to fall due, and that the payments will begin once the legal problems between both sides are overcome.

"We have to be 100 percent sure that the payments we make will be aimed at the parts of the debt we want to pay," Gallardo said.

With more than $11 billion of foreign debt, Ecuador suspended payments to banks in 1987 after facing problems in selling petroleum, its main export.

In December 1988, the U.S. Government placed the Ecuadoran foreign debt in the category of irrecoverable ("value impaired") [preceeding two words in English].

According to a report by the Institute of International Finance in Washington, Ecuador owes banks $1.166 billion in unpaid interest for the last 26 months.

Gallardo said that the "Ecuadoran Government, through its lawyers, decided that it will analyze payments to the debt that has yet to fall due rather than to the already matured debt."

He added that "the country's financial situation makes these foreign debt payments possible. We are definitely entering a process of renegotiation that has no beginning date or deadline; instead, it will be a continuous process."

He also said that as part of the renegotiation of the foreign debt, the Ecuadoran Government "has not thought" about signing a letter of intent with the IMF nor of asking the U.S. Government to remove the Ecuadoran debt from the category of "value impaired."

"That is not important because at this time, Ecuador's image with multilateral organizations, and even with the U.S. Government, is excellent because of the efforts to improve the economy," Gallardo said.

The Social Democratic administration of President Rodrigo Borja took office 8 months ago, replacing Conservative Leon Febres-Cordero.

Paraguay

Liberal Party Launches Political Platform

PY1204221589 Asuncion EL DIARIO in Spanish 12 Apr 89 p 11

[Text] Last night the Liberal Party [PL] officially launched its political platform. Herewith are some of the PL's proposals:

Constitutional amendments: non-reelection of the president of the Republic, election of a vice president, the guarantee that Chaco War veterans' pensions be at least the same as the minimum wage, strict prohibition of political affiliation as a way to hold a public post, and equal benefits for both public and private employees.

Tax, economic, and monetary reforms: privatize decentralized institutions running a deficit, reduce indirect taxes, implement public works in keeping with the real possiblities of the country, balance the budget, and compensate the balance of payments.

Concerning demographic policy, the PL states the need to inform the international public that the Paraguayan population is made up of young people and that most of them are women, to implement a selective immigration of people who can be assimilated into the Paraguayan way of life, to implement education programs for all cultural levels without ignoring the progress of science.

Two Policemen Arrested, Charged With Torture

PY1204193289 Asuncion ABC COLOR in Spanish 12 Apr 89 p 47

[Excerpt] A judge has ordered the arrest of police inspectors Jose Ignacio Irrazabal and Arturo Ranulfo Hellman. The 4th District Court issued this order based on charges made by the relatives of missing people and also because of charges made in a report on the finding of human remains in the Santa Elena district, in the Cordillera Department.

Judge Vittone ordered that Irrazabal and Hellman be detained at police headquarters. He also established that if indicted Irrazabal and Hellman will be held under arrest in compliance with the laws that apply to policemen.

In the last few days there have been numerous charges made against Irrazabal and Hellman. They have been charged with the death of several people during the sixties. Irrazabal was the chief of a special police squad that acted independently and that acted solely under the orders of the Interior Ministry, which at the time was headed by Sabino Augusto Montanaro [as published]. [passage omitted]

Central Bank Board of Directors Member Installed

PY1204171089 Asuncion PATRIA in Spanish 12 Apr 89 p 12

[Summary] Nery Augusto Bedoya Volta has been designated a member of the Central Bank board of directors. He replaces Jose Enrique Paez who was designated president of the National Development Bank. Finance Minister Enzo Debernardi presided over the installation ceremony.

REUTER Press Agency To Use Satellite

PY1204165289 Asuncion ABC COLOR in Spanish 12 Apr 89 p 12

[Excerpt] Through the National Administration for Telecommunications [ANTELCO], the Paraguayan Government has authorized the REUTER Press Agency to use the satellite system to distribute news and photographs. This decision, which will benefit the Paraguayan media and business sectors, was announced during the recent Inter-American Press Association meeting in Asuncion. [passage omitted]

Health Official Reports on AIDS Cases

PY1204230889 Asuncion ULTIMA HORA in Spanish 12 Apr 89 p 13

[Summary] Dr Federico Guillermo Villasboa, chief of the National AIDS Control Program has confirmed that 30 AIDS cases have been registered in this country. Thus far 8 people died of AIDS and 20 are AIDS carriers.

Peru

Government Announces Economic 'Reactivation' Plan

PY1204023889 Buenos Aires TELAM in Spanish 2150 GMT 11 Apr 89

[Text] Lima, 11 Apr (TELAM)—The government of President Alan Garcia has announced a new set of measures to face the economic crisis and a new antisubversive plan. The new set of measures provides for $350 million in investments.

Speaking to Congress last night, Peruvian Prime Minister Armando Villanueva del Campo said that "Peru is overcoming the economic crisis." The opposition, however, criticized what it called "the government's inability to overcome the crisis."

Villanueva del Campo said that "the government has an antisubversive plan," but opposition lawmakers stressed that "there is no strategy to fight the armed groups who are rapidly making progress in our country."

The prime minister referred to an economic reactivation plan that President Alan Garcia Perez will try to implement with the reserves that the country has accumulated over the past 3 months.

The government plans to set in motion a reactivation program with investments for $350 million (50 percent of the reserves) in the industrial, agricultural, and construction sectors.

Villanueva del Campo denied the charges levelled by opposition leaders about the possible use of the funds for electoral purposes. He announced that "the economic policy will aim at reactivating the depressed sectors of the economy."

Meanwhile, leaders of the textile workers, medical workers, teachers, and judicial branch workers unions have decreed coercive measures to demand better wages and to protest the official economic policy. The Federation of Mine and Metal Workers has threatened to call for a 72-hour strike to support several demands.

Minister Says Antisubversive Plan 'Confidential'

PY1204141489 Lima Television Peruana in Spanish 1100 GMT 12 Apr 89

[Impromptu news conference by Defense Minister General Enrique Lopez Albujar; date and place not given—recorded]

[Text] [Lopez] Regarding the Ucayali River incident, the Peruvian Navy also participated and has intensified its patrol of rivers.

[Reporter] It has been reported that a large quantity of weapons were confiscated from terrorists. Is this true?

[Lopez] Yes. We have confiscated motorboats, although I have no details of what is in them. Two motorboats used by the terrorists are now in Pucallpa. We are considering the situation of these boats.

[Reporter] Minister, do you also believe that it would have been counterproductive if Prime Minister Villanueva had given full details of the antisubversive plan in his speech last night?

[Lopez] In a statement I made last night, I clearly stated that the content of the antisubversive plan, especially those relating to operations, are confidential. This is true because to give details of the content of this plan would be to give an advantage to our enemy. Besides, to disclose confidential information is punishable under the Military Justice Code.

[Reporter] Villanueva yesterday said that the government seeks to fully guarantee both the general and municipal elections. Has subversion spread to the point that it could endanger democracy?

[Lopez] Subversion has not spread, but it is affecting the level of security required to provide an atmosphere conducive to a normal electoral process.

[Reporter] How are the intelligence services working, considering that they play a basic role in the antisubversive struggle?

[Lopez] Let us not talk about intelligence services; let us talk about the intelligence system because all those working in the intelligence sector are part of a system. This system must of course improve its procedures and make whatever coordination is required to obtain better results.

[Reporter] Could it be improved then?

[Lopez] It can be improved and it is being improved.

[Reporter] I want to ask you a question which you may have heard before: Do the Armed Forces give guarantees that the upcoming elections will be held normally?

[Lopez] Yes, absolutely. The Armed Forces are working toward this end and are making plans to this end.

Independent Civic Union Registers as Party

PY1104221289 Madrid EFE in Spanish
0438 GMT 9 Apr 89

[Text] Lima, 8 Apr (EFE)—Independent Deputy Francisco Diez Canseco Tavara, leader of the new Independent Civic Union [Union Civica Independiente] (UCI) political party, has said that the UCI can participate in the next elections because it has registered with the National Electoral Court.

Municipal elections are scheduled for November 1989, while presidential and congressional elections will take place within 1 year.

After registering the UCI at the Electoral Court, where he submitted the appropriate documents, Diez Canseco this afternoon told the press that the UCI is already a mature party and that it has offices in all Peruvian departments.

Diez Canseco stressed that his party is seeking Peru's development, without surrendering to imperialism. He said that the party also wants the country to progress without its traditional "political chicanery."

Concerning a possible UCI alliance with the Liberty Movement, led by writer Mario Vargas Llosa, Diez Canseco said that the two parties are reaching an agreement and that a decision will be made at a UCI plenum.

The small solidarity and democracy party recently announced that it will join the Liberty Movement.

The Liberty Movement is a faction of the Democratic Front (FREDEMO), which ia also comprised of the center-rightist Popular Action (AP) of former president Fernando Belaunde and the Christian Popular Party (PPC) of former Lima mayor Luis Bedoya Reyes.

Diez Canseco ruled out any alliance with the United Left if it does not give up its Marxist principles.

Japan To Extend Grant-in-Aid to Peru

OW1204001289 Tokyo KYODO in English
2316 GMT 11 Apr 89

[Text] Tokyo, April 12 KYODO—Japan will extend up to 1.03 billion yen in grant-in-aid to Peru to help the South American country purchase buses to improve its transportation system, the Foreign Ministry said Wednesday.

The two countries exchanged diplomatic documents on the aid in Peru on Tuesday, according to the ministry.

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